

NOTE:

**NO CHANGES, ALTERATIONS,
MODIFICATIONS, OR
ADDITIONS ARE TO BE MADE
TO THE DECLARATION OR
BYLAWS AFTER THE
APPROVAL AND SIGNATURE
OF THE REAL ESTATE
COMMISSIONER. IF ANY
SUCH CHANGES OCCUR, THE
REAL ESTATE
COMMISSIONER'S APPROVAL
IS NULL AND VOID**

AMENDED and RESTATED DECLARATION

of

CONDOMINIUM OWNERSHIP

for

TOWNHOUSE VILLAGE CONDOMINIUMS

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATION	1
1.1	Definitions.....	1
1.2	Liberal Construction.....	3
1.3	Mortgagee Approval.....	3
1.4	Original Owner of Units.....	4
1.5	Captions and Exhibits.....	4
1.6	Duration.....	4
1.7	Notices.....	4
1.8	Costs and Attorneys' Fees.....	4
1.9	Miscellaneous.....	4
2.	NAME	5
3.	PROPERTY SUBMITTED AND ALLOCATION OF UNDIVIDED PERCENTAGE INTEREST IN COMMON ELEMENTS	5
4.	DESCRIPTION OF BUILDINGS AND UNITS	5
4.1	General Description of Buildings.....	5
4.2	General Description, Location, and Designation of Units.....	5
4.3	Boundaries of Units.....	5
5.	GENERAL COMMON ELEMENTS	6
6.	LIMITED COMMON ELEMENTS	6
7.	DESCRIPTION OF UTILITIES	6
8.	OCCUPATION, USE AND TRANSFER	7
9.	ALLOCATION OF COMMON PROFITS AND COMMON EXPENSES	7
9.1	Method of Allocation.....	7
9.2	No Exception and No Offset.....	8
10.	VOTING RIGHTS	8
11.	SERVICE OF PROCESS	8
12.	MAINTENANCE AND REPAIRS	8
12.1	Maintenance of Common Elements.....	8
12.2	Individual Units.....	8
13.	AUTHORITY REGARDING EASEMENTS AND OTHER PROPERTY RIGHTS OF ACCESS AND USE; SPECIAL SUCCESSOR DECLARANT RIGHTS AND EASEMENTS	9
13.1	In General.....	9
13.2	Rights Created by Association.....	9
13.3	Right of Entry.....	9
13.4	Special Successor Declarant Rights.....	10
13.5	Successor Declarant's Easements for Signs.....	11
14.	ENCROACHMENTS	11
14.1	Encroachments in the Condominium.....	11
14.2	Limitation.....	11
14.3	Effect of Marketability.....	11
15.	MORTGAGEE PROTECTION	11
15.1	Controlling Over Other Sections.....	12
15.2	Notice of Action.....	12

15.3	Mortgage Approval	12
15.4	Mortgagee's Consent to Abandon Condominium	12
15.5	Amendment of Condominium Declaration or Bylaws	12
15.6	Limitation	13
15.7	Deemed Approval by Mortgagees	13
15.8	Mortgagee's Proxy	13
16.	OPERATING ENTITY	13
16.1	Formation and Authority	13
16.2	Duties and Powers of the Association	13
16.3	Rules and Regulations	14
16.4	Control of Association	14
16.5	Membership	15
16.6	Voting	15
16.7	Enforcement Powers	15
16.8	Enforcement Actions	15
16.9	Suspension of Sanctions	16
17.	MANAGING AGENT	16
17.1	Initial Managing Agent	16
17.2	Scope of Managing Agent Duties	16
18.	TAXATION OF UNITS	17
19.	AMENDMENT	17
19.1	Approval Required	17
19.2	Recordation	18
20.	TERMINATION	18
21.	DISPUTE RESOLUTION	18
21.1	Required Procedure	18
21.2	Negotiated Resolution	19
21.3	Mediation	19
21.4	Small Claims	19
21.5	Arbitration	20
21.6	No Attorneys' Fees	20
21.7	Claims by Association	20
22.	GENERAL PROVISIONS	20
22.1	No Impairment	20
22.2	No Partition	20
22.3	No Waiver of Strict Performance	20
22.4	Liability for Utility Failure	21
22.5	Rule Against Perpetuities	21
22.6	Transfer of Successor Declarant's Powers	21
23.	SEVERABILITY	21
24.	LIMITED WARRANTY	21
24.1	Warranty Terms	21
24.2	Warranty Limitations	22
24.3	Personal Property	22
24.4	No Other Warranties	23
24.5	Covenants Running with the Land	23

24.6	Right of Inspection	23
25.	DISCLOSURES; DISCLAIMERS	24
25.1	Unit Square Footage	24
25.2	Model Units	24
25.3	Vegetation	24
25.4	Sound Transmission	24
25.5	Acoustics, Light, Air and View	25
25.6	Mold	25

AMENDED AND RESTATED DECLARATION

of

CONDOMINIUM OWNERSHIP

for

TOWNHOUSE VILLAGE CONDOMINIUMS

MADE PURSUANT TO THE OREGON CONDOMINIUM ACT

THIS AMENDED AND RESTATED DECLARATION of CONDOMINIUM OWNERSHIP ("Declaration"), to be effective upon its recording in the deed records of Yamhill County; Oregon, pursuant to the provisions of the Oregon Condominium Act, is made and executed this 10th day of February, 2007, by Townhouse Village, LLC, an Oregon limited liability company (hereinafter "Successor Declarant"). This Amended and Restated Declaration is intended to supersede and replace that certain Declaration Submitting Townhouse Village Condominiums to Oregon Unit Ownership Law, dated November 2, 1981, and recorded December 31, 1981 in Film Volume 166, Page 1321, Deed and Mortgage Records of Yamhill County (the "Original Declaration").

RECITALS:

Successor Declarant owns real property located in the City of Newberg, Yamhill County, Oregon, more particularly described on Exhibit A attached hereto (the "Property"). The Property contains 32 individual condominium units originally built in 1981. The Successor Declarant purchased all 32 Units along with the common elements of Townhouse Village Condominiums, as set forth in that certain Statutory Warranty Deed (Yamhill County Records File No. 200704162), and thus has the authority to amend the Declaration in accordance with Section XV of the Original Declaration. The purpose of this Declaration is to resubmit the Property and improvements as a Condominium form of ownership for use in the manner provided by the Oregon Condominium Act.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions.

The following definitions shall apply in all Condominium Documents unless the content requires otherwise:

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

1.1.2 "Association" shall mean Townhouse Village Condominium Homeowners' Association, the nonprofit mutual benefit corporation responsible for the administration, management, and operation of the Condominium.

- 1.1.3 "Board" shall mean the Board of Directors of the Association.
- 1.1.4 "Building" shall mean an individual building containing Units in the Condominium.
- 1.1.5 "Bylaws" shall mean the Bylaws of the Association, as amended from time to time.
- 1.1.6 "Common Elements" shall mean all those portions of the Condominium exclusive of the Units.
- 1.1.7 "Common Expenses" means all costs and expenses incurred by the Association with respect to the use, operation, maintenance, repair, and improvement of the Common Elements.
- 1.1.8 "Condemnation" means any taking of any interest in the Condominium by right of eminent domain or any purchase of any such interest in lieu of such taking.
- 1.1.9 "Condominium" shall mean the Property that is hereby submitted to condominium ownership and all improvements thereon or to be located thereon and easements and rights appurtenant thereto.
- 1.1.10 "Condominium Documents" means this Declaration, the Articles of Incorporation of the ASSOCIATION OF UNIT OWNERS OF TOWNHOUSE VILLAGE CONDOMINIUMS, its Bylaws, its Rules and Regulations, and any Exhibits to any of them.
- 1.1.11 "Successor Declarant" means the Successor Declarant specified above and any successors and assigns specified as a successor Declarant in a written agreement between such parties.
- 1.1.12 "Declaration" shall mean this Declaration of Condominium Ownership for Townhouse Village Condominiums and any amendments to it.
- 1.1.13 "General Common Elements" means all Common Elements other than the Limited Common Elements, as more particularly described in Section 5 below.
- 1.1.14 "Legal Requirements" shall mean any and all laws, orders, rules, and regulations of any governmental entity.
- 1.1.15 "Limited Common Elements" shall mean those Common Elements other than the General Common Elements designated in Section 6.
- 1.1.16 "Mortgage" shall include a mortgage, a deed of trust and a contract for the sale of real estate.
- 1.1.17 "Mortgagee" shall include a mortgagee, a deed of trust beneficiary and a vendor under a contract for the sale of real estate.

1.1.18 "Owner" means the record owner of fee simple interest in a Unit, unless there is a holder of a vendee's interest in a Unit under a recorded contract of sale or a holder of a life estate or a leasehold estate in a Unit for a term exceeding twenty (20) years, in which event the vendee or lessee, as the case may be, shall be considered the Owner. If there is more than one such vendee's or lessee's interest at any given time, then the holder of the most recent interest shall be considered the current Owner.

1.1.19 "Percentage Interest" shall have the meaning as described in Section 3.

1.1.20 "Person" means any individual, corporation, partnership, trust or other entity.

1.1.21 "Plat" shall mean the plat for the Condominium which was recorded in the deed records of Yamhill County, concurrently with the Original Declaration and any revisions of or supplements to such plat subsequently recorded.

1.1.22 "Property" shall mean the property submitted to the provisions of the Act, as described more particularly in Section 3.

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

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

1.1.25 "Unit Sale Agreement" shall mean the purchase agreement pursuant to which Owner purchased his or her Unit(s).

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

1.2 Liberal Construction.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Condominium under the provisions of Oregon law. The terms used herein are intended to have the same meaning as maybe given in the Act to such terms unless the context clearly requires otherwise or to so define the terms would produce an illegal or improper result.

1.3 Mortgagee Approval.

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

1.4 **Original Owner of Units.**

Successor Declarant is deemed the original Owner of all Units and will continue to be deemed the Owner of such Units until a conveyance or other document changing the ownership of such Units are filed of record.

1.5 **Captions and Exhibits.**

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

1.6 **Duration.**

These covenants, conditions and restrictions run with and bind, benefit and burden in perpetuity the Property, all Owners and occupants, and the lessees, invitees and guests of all Owners and occupants unless amended in accordance with this Declaration or terminated by the affirmative vote of 100% of those entitled to vote.

1.7 **Notices.**

All notices under this Declaration must be in writing. Any such notice will be deemed effective on the earlier of the date of delivery or, if mailed, three (3) business days following the date of mailing, if addressed to the addressee at the address, if any, designated in the Association's records. It is the responsibility of the Owners to notify the Association of any change in address or change in ownership of the Units. The Association is not be responsible for independently verifying the accuracy of its record of Owners and their addresses.

1.8 **Costs and Attorneys' Fees.**

In any proceeding arising because of an alleged default by an Owner in complying with the terms and provisions of this Declaration or the Rules and Regulations of the Association, including without limitation failure to pay assessments, the prevailing party will be entitled to recover its costs, including such reasonable attorneys' fees as may be determined by the trial court in any trial or by the appellate court in any appeal or review thereof. In addition, the Association shall be entitled to reasonable attorneys' fees associated with collection costs, regardless of whether a legal action is filed.

1.9 **Miscellaneous.**

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

2. **NAME**

The name by which the Property is to be identified is "Townhouse Village Condominiums."

3. **PROPERTY SUBMITTED AND ALLOCATION OF UNDIVIDED PERCENTAGE INTEREST IN COMMON ELEMENTS**

The Property hereby submitted to the provisions of the Act is the land owned in fee simple by Successor Declarant and described on the attached Exhibit A, together with all easements, rights, and appurtenances belonging thereto and all improvements now existing or hereafter constructed on such land. Each Unit shall be entitled to and shall have allocated to it an undivided and equal percentage ownership interest in the Common Elements, as set forth on Exhibit B ("Percentage Interest"). Each Unit's interest in the Common Elements shall be inseparable from the Unit and any conveyance, encumbrance, judicial sale or other transfer, voluntary or involuntary of an undivided interest in the Common Elements shall be void unless the Unit to which that interest is allocated is also transferred.

4. **DESCRIPTION OF BUILDINGS AND UNITS**

4.1 **General Description of Buildings.**

The Condominium shall initially include the six (6) Buildings designated as shown on the Plat. Buildings 1 and 3 each contain four (4) Units and have two (2) stories. Buildings 2, 4, 5, and 6 shall each contain six (6) Units and have two (2) stories. The Buildings have concrete foundations, and consist of a wood frame structure with wood and mansard siding, and pitched composition roof shingles.

4.2 **General Description, Location, and Designation of Units.**

The Condominium shall consist of a total of thirty two (32) Units. The designation and location of each Unit and the Building in which it is located are shown on Exhibit B and on the Plat.

4.3 **Boundaries of Units.**

Each Unit shall be bounded by the interior surfaces of its perimeter and bearing walls up to the center point(s) of any party wall adjacent to any Unit, floors, and ceilings, and the interior surfaces of windows and window frames, doors and door frames, and trim, and shall include both the interior surfaces so described (including the unexposed face of the sheet rock and the underside of the finished floor or top surface of any concrete slab, as applicable) and the air space so encompassed and shall exclude those portions of the walls, floors or ceilings that materially contribute to the structural or sheer capacity of the Condominium. In addition, each Unit shall include the nonbearing interior partitions, fixtures and improvements within the Unit and the outlet of any utility service lines, including water, sewer, electricity, or cable television, and of ventilating or air conditioning ducts, but shall not include any part of such lines or ducts

themselves. The interior stairwell and stairway to Units located on the second floor, if contained within the boundaries of the Unit as shown on the Plat, and the fireplace within each Unit, if any (but not the chimney, if any, extending above the roof line of a Unit) shall also form a part of the Unit. The area in square feet of each Unit is listed on Exhibit B. All other portions of the walls, floors or ceilings shall be a part of the General Common Elements. In the event of a conflict between the Plat and this Declaration, the latter controls.

5. GENERAL COMMON ELEMENTS

The general location of the Common Elements is shown on the Plat. The General Common Elements consist of all parts of the Condominium other than the Units and the Limited Common Elements and include, without limitation, the following:

5.1 The land on which each Unit is located.

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

5.3 Pipes, ducts, chimneys extending above the roofline of a Unit (but not fireplaces), conduits, wires, and other utility installations, in each case to their respective outlets.

5.4 Parking spaces designated as guest parking.

5.5 The open-sided carport structure.

5.6 The laundry room and storage rooms.

5.7 All those portions of the Condominium exclusive of the Units and Limited Common Elements, as shown on the Plat, including, without limitation the pathways, driveways, fences, and grounds.

6. LIMITED COMMON ELEMENTS

The Limited Common Elements are those Common Elements designated as reserved for the use of a certain Unit or Units to the exclusion of other Units, as described below. The right to use a Limited Common Element extends to the Owner's agents, servants, tenant, family members, invitees and licensees.

6.1 All fenced courtyards, patios and storage closets located off patios, each of which shall pertain to the unit which it adjoins.

6.2 The one assigned covered parking space for each Unit, restricted to the Unit to which each such limited common element is assigned as set forth in Section 2.8.2 of the Disclosure Statement and shown on the Plat.

7. DESCRIPTION OF UTILITIES

