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DECLARATION

FOR

LOG CABIN INN CONDOMINIUM

DECLARANT: LOG CABIN, LLC

HERSHNER HUNTER LLP

ATTORNEYS

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DECLARATION
FOR
LOG CABIN INN CONDOMINIUM

This Declaration is made 20 April, 2009, by Log Cabin LLC, hereinafter referred to as the Declarant.

RECITALS:

A. Declarant is the fee simple owner of the real property described in Paragraph 2 of this Declaration (the Real Property) and desires to submit to the provisions, restrictions, and limitations of the Oregon Condominium Act the Real Property and all improvements now existing or to be constructed on such real property, to be known as Log Cabin Inn Condominium.

B. Declarant proposes to create a flexible condominium, initially including a total of 18 Primary Units and 24 Parking Units with two variable parcels on the Real Property for the development of eight more Primary Units. The variable parcels are non-withdrawable by the Declarant and are referred to herein as the Variable Property.

C. Declarant has incorporated the Log Cabin Inn Owners Association, Inc. (Association) under the laws of the state of Oregon as a nonprofit corporation.

D. Declarant declares, on behalf of itself, its successors, grantees, and assigns, as well as to any and all persons having, acquiring, or seeking to have or acquire any interest of any nature whatsoever in and to any part of the Real Property, as follows:

DECLARATIONS:

1. DEFINITIONS. Except as otherwise provided or modified by this Section 1, the terms contained in this declaration have the meaning set forth in the Oregon Condominium Act, ORS 100.005 et seq., and the statute and its definitions are incorporated here. As used in this Declaration and in the bylaws (the Bylaws) of the Association, the following terms have the following meanings:

1.1. Association means Log Cabin Inn Owners Association, Inc.

1.2. Condominium means the Real Property, all buildings and structures constructed on it and all improvements made to it, and all easements, rights, and appurtenances belonging to it, all of which are here submitted to the provisions of the Oregon Condominium Act.

1.3. Declarant means Log Cabin LLC.

1.4. Member means all those Owners of Primary Units and Parking Units in Log Cabin Inn Condominium who are entitled to membership in the Association as provided in Paragraph 5. Only Owners of Primary Units may own and be Owners of Parking Units.

1.5. Mortgage means a recorded first mortgage, first trust deed, or first contract of sale that creates a first lien against a Primary Unit, and "Mortgage Holder" means the holder, beneficiary, or vendor of such a mortgage, trust deed, or contract of sale, but only when the holder, beneficiary, or vendor notifies the Association in writing of the existence of the mortgage and gives the Association a current name and mailing address.

1.6. Non-withdrawable Property means property which pursuant to ORS 100.150(1)(a):

a. Is designated non-withdrawable in the declaration and on the plat of Log Cabin Inn Condominium; and

b. Which may not be withdrawn from the condominium without the consent of all of the unit owners.

1.7. Owner means the record owner or owners of a Primary Unit and, in addition to a Primary Unit, any Parking Unit, including contract buyers, but, notwithstanding any applicable theory of a lien, mortgage or trust deed, shall not mean or refer to a lienholder, mortgagee, vendor under a land sale contract, or beneficiary or trustee under a trust deed, unless and until such lienholder, mortgagee, vendor, beneficiary or trustee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. Only Owners of Primary Units may own and be Owners of Parking Units. A person or entity who does not own a Primary Unit shall not be an Owner.

1.8. Parking Unit shall mean that part of the Condominium designated as such in the Plans and comprised of the space enclosed by its boundaries as described in Paragraph 3.

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

1.10. Primary Unit shall mean the part of the Condominium designated as such in Paragraph 3 and comprised of the space enclosed by its boundaries as described in Paragraph 3.

1.11. Unit(s) shall mean those parts of the Condominium designated in Paragraph 3 as Primary Units and Parking Units and comprised of the spaces enclosed by each of their respective boundaries as described in Paragraph 3.

1.12. Variable Property means property described in ORS 100.150(2) and designated as non-withdrawable variable property in the Declaration and on the plat of Log Cabin Inn Condominium.



2. REAL PROPERTY DESCRIPTION. The Real Property that is hereby submitted to the Oregon Condominium Act is located in Lane County, Oregon, and is more particularly described as Parcels 1 and 2 of Land Partition Plat Number 2008-P2272, Lane County Oregon Plat Records. Each Owner holds fee simple title to the Primary Unit and, if purchased from Declarant, a Parking Unit, and an undivided interest in the common elements as determined in Paragraph 3.4, when Declarant conveys the Primary Unit, and, if purchased, a Parking Unit to the Owner. Before such conveyance(s), Declarant holds fee simple title to all Units, the land under and surrounding each Unit. The Real Property contains 18 Primary Units and 24 Parking Units as shown on the plat. The Units are designated by number and each contains the following square footage:

Primary Unit 1	located as "Unit 1" on the plat	813 square feet
Primary Unit 2	located as "Unit 2" on the plat	816 square feet
Primary Unit 3	located as "Unit 3" on the plat	814 square feet
Primary Unit 4	located as "Unit 4" on the plat	760 square feet
Primary Unit 5	located as "Unit 5" on the plat	763 square feet
Primary Unit 6	located as "Unit 6" on the plat	767 square feet
Primary Unit 7	located as "Unit 7" on the plat	765 square feet
Primary Unit 8	located as "Unit 8" on the plat	764 square feet
Primary Unit 9	located as "Unit 9" on the plat	759 square feet
Primary Unit 10	located as "Unit 10" on the plat	759 square feet
Primary Unit 11	located as "Unit 11" on the plat	760 square feet
Primary Unit 12	located as "Unit 12" on the plat	784 square feet
Primary Unit 13	located as "Unit 13" on the plat	784 square feet
Primary Unit 14	located as "Unit 14" on the plat	971 square feet
Primary Unit 15	located as "Unit 15" on the plat	784 square feet
Primary Unit 16	located as "Unit 16" on the plat	784 square feet
Primary Unit 17	located as "Unit 17" on the plat	784 Square feet
Primary Unit 18	located as "Unit 18" on the plat	849 square feet
Parking Unit 1	located as "P1" on the plat	217 square feet
Parking Unit 2	located as "P2" on the plat	217 square feet
Parking Unit 3	located as "P3" on the plat	217 square feet
Parking Unit 4	located as "P4" on the plat	219 square feet
Parking Unit 5	located as "P5" on the plat	217 square feet
Parking Unit 6	located as "P6" on the plat	217 square feet
Parking Unit 7	located as "P7" on the plat	219 square feet
Parking Unit 8	located as "P8" on the plat	219 square feet
Parking Unit 9	located as "P9" on the plat	219 square feet
Parking Unit 10	located as "P10" on the plat	219 square feet
Parking Unit 11	located as "P11" on the plat	217 square feet
Parking Unit 12	located as "P12" on the plat	217 square feet
Parking Unit 13	located as "P13" on the plat	219 square feet
Parking Unit 14	located as "P14" on the plat	219 square feet
Parking Unit 15	located as "P15" on the plat	217 square feet
Parking Unit 16	located as "P16" on the plat	217 square feet
Parking Unit 17	located as "P17" on the plat	219 square feet

Parking Unit 18	located as "P18" on the plat	219 square feet
Parking Unit 19	located as "P19" on the plat	217 square feet
Parking Unit 20	located as "P20" on the plat	217 square feet
Parking Unit 21	located as "P21" on the plat	219 square feet
Parking Unit 22	located as "P22" on the plat	219 square feet
Parking Unit 23	located as "P23" on the plat	219 square feet
Parking Unit 24	located as "P24" on the plat	217 square feet

THE SQUARE FOOTAGE AREAS STATED IN THIS DECLARATION AND THE PLAT ARE BASED ON THE BOUNDARIES OF THE UNITS DESCRIBED IN THIS DECLARATION AND MAY VARY FROM THE AREA OF UNITS CALCULATED FOR OTHER PURPOSES.

3. NAME AND UNIT DESCRIPTION/DEVELOPMENT PLAN.

3.1. NAME. The Real Property will be known as Log Cabin Inn Condominium.

3.2. BOUNDARIES OF UNITS.

a. Primary Units.

The Primary Units shown upon the recorded plat of Log Cabin Inn Condominium, including, but not limited to, all exterior and interior walls, all floors, ceilings and roofs, all spaces, windows, window frames, exterior doors, door frames, and all other fixtures and improvements within the boundaries of or comprising said Primary Units. The boundaries of each Primary Unit shall consist of the following:

Unit 1: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 13 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 2: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 13 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical

dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 3: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 13 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 22 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 4: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 13 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 5: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 13 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing

equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 6: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 13 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 7: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 13 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 8: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 13 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 9: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 13 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 10: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 13 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 11: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 13 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 12: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 5 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical

dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 13: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 5 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 14: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 4 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 18 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 15: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 5 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing

equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 16: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 5 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 17: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 5 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

Unit 18: This Primary Unit consists of the cubic airspace which encompasses the entire separate building, the boundaries of which are the perimeter of the foundation footprint of the building and running downward 7 feet below the finished floor elevation to the lowest point of the foundation structure of the building and upward 19 feet above such finished floor elevation to the highest measured structure on the building. The horizontal and vertical dimensions of the Primary Units are shown on the Plat. Provided, however, that no part of the Primary Unit shall include the land. Roof overhangs, wing walls, downspouts and other appurtenances to the building(s) are part of a Primary Unit, notwithstanding that they protrude into the common element area. Each Primary Unit contains all portions of the building, together with everything contained within the building, such as heating, electrical and plumbing equipment and fixtures, appliances, and that portion of the utility systems as are located fully within and/or servicing solely that Primary Unit, to which the same are appurtenant. No part of any Primary Unit constitutes common elements.

In interpreting deeds, mortgages, deeds of trust, and other instruments, for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the Primary Unit or of a Primary Unit reconstructed in substantial accordance with the original plans here will be conclusively presumed to be the boundaries regardless of settling, rising, or lateral movement of the building and regardless of variances between boundaries as shown on the plat being recorded simultaneously with this Declaration and those of the actual building or buildings. The Real Property has 18 Primary Units, which consist of cabin buildings of wood frame construction on cement and wood foundations with wood siding and composition, membrane or metal roofs. The Real Property has 24 Parking Units of wood frame construction on cement foundations with wood siding and composition, membrane or metal roofs. The Condominium contains two parcels of Variable Property, located with dimensions on the Plat and labeled as "TRACT 'A' NON-WITHDRAWABLE VARIABLE PROPERTY" and as "TRACT 'B' NON-WITHDRAWABLE VARIABLE PROPERTY."

b. Parking Units.

Each Parking Unit consists of the cubic airspace which encompasses an entire Parking Unit, the boundaries of which are the interior surfaces of the walls, floor and ceiling. All structural elements including exterior walls, roofs, foundations, and interior partition walls are general common elements. The horizontal and vertical dimensions of the Parking Units are shown on the Plat. Provided, however, that no part of the Parking Unit shall include the land.

3.3. IMPROVEMENTS. Nothing in this Declaration shall limit Declarant's rights to add such improvements to the Real Property as Declarant may, in Declarant's sole discretion, decide to add.

3.4. OWNER'S INTEREST IN COMMON ELEMENTS. The Condominium initially consists of 18 Primary Units and 24 Parking Units. Each Parking Unit is allocated a .01% undivided interest in the common elements. Of the remaining 99.76% undivided interest in the common elements, each Primary Unit is allocated an undivided interest in the common elements at a fraction equal to one Primary Unit divided by the total number of Primary Units of the Condominium. 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.

Upon creation of the additional eight Primary Units, as provided in Paragraph 3.5, each Primary Unit's allocation of undivided interest in the common elements shall be adjusted as provided in this Paragraph 3.4.

3.5. DEVELOPMENT PLAN; FLEXIBLE CONDOMINIUM; VARIABLE PROPERTY. The Condominium is a flexible condominium as defined in the Oregon Condominium Act.

a. SPECIAL DECLARANT RIGHTS. The Declarant is reserving all of the rights provided under ORS 100.150(1). There are no limitations on the rights reserved by the Declarant under ORS 100.150(1).

b. VARIABLE PROPERTY. There are two non-withdrawable Variable Property tracts in the Condominium. They are designated and depicted on the Plat as TRACT "A" NON-WITHDRAWABLE VARIABLE PROPERTY and TRACT "B" NON-WITHDRAWABLE VARIABLE PROPERTY. The Variable Property is non-withdrawable Variable Property.

c. TERMINATION DATE. The date after which any right reserved by the Declarant under ORS 100.150(1) will terminate is seven (7) years from the date this Declaration is recorded.

d. MAXIMUM NUMBER OF UNITS. The maximum number of Primary Units which may be created is 26 and the maximum number of Parking Units which may be created is 24. The Variable Property may be developed with eight (8) Primary Units. It is the plan of the Declarant to file a supplemental declaration and plat prior to the termination date to reclassify the Variable Property as Primary Units and Common Elements. A portion of the Variable Property may be developed with general common element area, pavement, pathways and landscaping.

e. PERCENTAGE OWNERSHIP IN THE COMMON ELEMENTS. As additional Primary Units are created by one or more supplemental condominium declarations, each Primary Unit's percentage ownership in the common elements will be recalculated in the method specified in Paragraph 3.4.

f. LIABILITY FOR COMMON EXPENSES. Liability for common expenses shall be allocated to each Parking Unit at a percentage of .01% per Parking Unit. Liability for the remaining 99.76% of common expenses shall be allocated to each Primary Unit at a fraction equal to one Primary Unit divided by the total number of Primary Units of the Condominium. As additional Primary Units are created by one or more supplemental declarations, each Primary Unit's liability for general and limited common expenses shall be recalculated in the method described in this paragraph 3.5 f. and paragraph 3.4.

g. VOTING. Each Primary Unit shall be entitled to one (1) vote per Primary Unit.

h. DEVELOPMENT TYPES - VARIABLE PROPERTY. The current development plan is to develop eight (8) additional Primary Units and associated general common elements. Upon completion of the development plan the Condominium will contain 26 Primary Units, 24 Parking Units and associated general common elements.

i. AUTOMATIC RECLASSIFICATION OF VARIABLE PROPERTY. If by the termination date there is any remaining variable property, it shall be automatically reclassified as and become a part of the general common elements and any interest in such property held for security purposes shall be automatically extinguished by reclassification. The Association may, with respect to any variable property automatically reclassified, exercise any rights previously held by Declarant.

4. GENERAL COMMON ELEMENTS.

4.1. DEFINITION. The general common elements consist of all portions of the Condominium that are not part of a Unit, including, without limitation, the following:

a. The land and improvements not part of a Primary Unit or a Parking Unit, including all drive ways, parking areas, septic systems, wells and storage buildings, as shown on the plat of Log Cabin Inn Condominium;

b. In general, all apparatus and installations existing for common use of all Units; and

c. All other elements of any building that are necessary or convenient to its existence, maintenance, and safety or that are normally in common use.

4.2. MAINTENANCE, REPAIR, AND REPLACEMENT OF GENERAL COMMON ELEMENTS; LIABILITY FOR COMMON EXPENSE. Except as otherwise specifically provided in this Declaration, the cost of maintenance, repair, and replacement of the general common elements is a common expense, and the performance of such work is the responsibility of the Association, except that any damage caused by the negligence or intentional act of an Owner or his or her invitee, guest, tenant, or servant will be repaired by the Association at the Owner's sole cost and expense. Common expenses will be assessed and apportioned among the Owners as set forth in Paragraph 3.5.

4.3. INCOME FROM GENERAL COMMON ELEMENTS. All income derived from any coin-operated vending machines and/or any other income derived from the general common elements will be income of the Association. The Board of Directors, in its discretion, may use such income to help meet the expense of maintaining the general common elements or for such other purpose as may benefit the Association and the Owners in a substantially equal manner.

5. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION.

5.1. MEMBERSHIP. Every person or entity who is an Owner of a Primary Unit and every person or entity who is an Owner of a Parking Unit shall be a Member of the Association. Only Owners of Primary Units may own and be Owners of Parking Units.

5.2. VOTING RIGHTS. The Association shall have two classes of voting membership:

5.3. CLASS A. Class A membership shall be all Owners with the exception of the Declarant. Class A Members shall be entitled to one vote for each Primary Unit owned. When more than one person is an Owner of any Primary Unit, all such persons shall be Members, and the vote for such Primary Unit shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Primary Unit.

5.4. CLASS B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three votes for each Primary Unit which it owns. The Class B Member shall be entitled to vote on all issues which come before the Members of the

Association. Class B membership shall cease and become converted to Class A membership on the earlier of: (a) the date on which 50 percent of the Primary Units in the Condominium have been conveyed to persons other than Declarant or (b) the date on which seven years have elapsed since the date of the first conveyance of a Primary Unit in the Condominium to a person other than Declarant.

5.5. ASSIGNMENT. Voting rights held by any Owner in his or her capacity as a Member of the Association shall not be assigned to another person without the permission of the Association.

5.6. VOTING. The Owner of each Primary Unit is entitled to one vote per Primary Unit as provided in Paragraph 5. "Majority" or "Majority of Owners" means the Owners of more than 50 percent of the voting rights allocated to the Primary Units by this declaration. The calling and conducting of meetings of the Association and the exercise of voting rights is controlled by Paragraphs 2. and 4. of the Bylaws.

6. OPERATION OF THE ASSOCIATION.

6.1. DECLARANT CONTROL. Until the date of turnover, as provided in this Paragraph 6., the Declarant shall control the Association. During the period of Declarant control, the board of directors of the Association shall consist of at least one and not more than three individuals, each of whom shall be named by the Declarant and who shall serve until the date of turnover, or until removed by the Declarant, with or without cause. During the period of Declarant control, any act which the Association is permitted to perform may be performed by the board of directors without any vote of the membership.

6.2. TURNOVER. Not later than 90 days after the earlier of the following dates: (a) the date on which 50 percent of the Primary Units in the Condominium have been conveyed to persons other than Declarant or (b) the date on which seven years have elapsed since the date of the first conveyance of a Primary Unit in the Condominium to a person other than Declarant, Declarant shall hold a meeting (the Turnover Meeting) for the purpose of turning over control of the Association to the Members. Declarant shall deliver to the Association all of the documents so required by ORS 100.210. The Association shall keep as permanent records of the association all of the documents received from the Declarant at the Turnover Meeting.

6.3. ELECTION OF DIRECTORS. The Members shall elect a board of directors at the Turnover Meeting in accordance with the Bylaws of the Association. If the Members fail to elect a board of directors, the Declarant shall call such subsequent meeting or meetings as are necessary to enable the Members to elect a board of directors. The date of turnover shall be the date of the Turnover Meeting or such subsequent meeting when the Members are able to elect a board of directors.

6.4. CONTROL AFTER TURNOVER. After the date of turnover, control of the Association shall be vested in the Members, operating through the elected board of directors.

6.5. DECLARANT'S RIGHTS. After the date of turnover, the Declarant shall have Class A membership as described in Paragraph 5.

6.6. POWERS AND DUTIES OF THE ASSOCIATION. The Association and the Board of Directors have the powers and duties granted to them by this Declaration, any applicable Supplemental Condominium Declaration, the Articles of Incorporation for the Association, the Bylaws, and ORS 100.405(4), and all other provisions of the Oregon Condominium Act.

7. PERMITTED USES AND RESTRICTIONS. Each Unit shall be for the exclusive use and benefit of the Owner and residents thereof, subject, however, to all of the following limitations and restrictions:

7.1. USE AND OCCUPANCY. The Units shall be used exclusively for commercial purposes consistent with the provisions of Lane County's Rural Commercial Zone. The common elements may be used for furnishing services and facilities to Owners. Every Owner has an easement to enjoy and use the general common elements in the manner for which they were intended. Additional restrictions and regulations are set forth in the Bylaws and any rules or regulations adopted pursuant to the provisions of the Bylaws.

7.2. LIMITATION ON BUILDINGS. No more than one cabin building shall comprise any Primary Unit, except for the Primary Units constructed on the Variable Property which may be constructed together in one building. All buildings shall be constructed on-site.

7.3. SIDING. No Unit or other building or structure shall have tar paper, roll brick, sheet aluminum or masonry block siding. Siding must be wood. Roofing shall be tile, metal, membrane or composition shingles. No gravel, asphalt coated or tar paper roof shall be constructed.

7.4. CONSTRUCTION. Except for all existing Units and the eight Primary Units to be constructed in the Variable Property, any re-constructed Units or other buildings or structures, shall be built to plans approved prior to the start of construction by the Association, and shall be built of good quality materials. All Primary Units may not exceed two stories as viewed from the street. All buildings shall have a 2/12 or steeper roof pitch. Re-constructed Primary Units must have a minimum 500 square feet of living space, and a maximum of 2000 square feet of living space. The square footage of living space shall be measured exclusive of the decks and storage buildings. Adding additional Units will require amendment to this Declaration and the plat upon the approval of all Owners.

7.5. LANDSCAPING. The Log Cabin Inn Condominium has been developed to provide seclusion and privacy, and to maintain the Real Property in as natural a condition as possible. Therefore, the native vegetation must remain undisturbed except to maintain buffer space around cabins or as approved by the Association.

7.6. SIGNS. No signs shall be erected or maintained on any Unit except:

a. Such signs as may be required by law; a cabin identification sign having a total face area not greater than 120 square inches;

b. An appropriate sign of reasonable type, size and appearance advertising the Unit for sale, but only attached to the building or free-standing, not attached to a tree, having a total face area not greater than six square feet;

c. Informational and directional signs erected or maintained by the Declarant or the Association.

7.7. NUISANCES. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Unit which will or may render the same or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Unit, and no activity shall be conducted or maintained which is or may be offensive or detrimental to any other Unit in the vicinity thereof or to the occupants of any such Unit.

7.8. REPAIR OF UNITS. All Units shall at all times be kept in good repair and adequately furnished by the Owner.

7.9. RESTRICTIONS ON FURTHER DIVISIONS. No Unit shall be further subdivided or partitioned. No portion of any Unit nor any easement or license shall be conveyed by any Owner without the prior written approval of the Declarant or, after the date of turnover, the Association.

7.10. PARKING. Overnight parking shall be allowed in areas designated by the Association. No parking shall be allowed for recreational vehicles containing a wheel base greater than fifteen feet in length.

7.11. IMPROVEMENTS AND ALTERATIONS. No new building or structure, additions thereto or remodeling thereof, or driveways shall be erected and placed or allowed to stand on any Unit until the size, locations, plans and specifications have been approved in writing by the Association. The construction of any approved structure, once begun, shall be carried forward to completion with reasonable diligence. Temporary buildings or structures used during the construction of the eight additional Primary Units within the Variable Property shall be removed immediately after the completion of construction. Completion of construction shall be deemed to be the date on which a certificate of occupancy is issued by Lane County.

7.12. LIGHTING. All exterior lamps shall be attached to a Unit no higher than the eaves, except for standard lampposts and walkway lamps. Light from any exterior lamp shall be directed downward so as to not unreasonably disturb the Owner of any other Primary Unit.

7.13. ANTENNAS. Antennas shall be attached to the roof of Primary Units and shall be no more than 24 inches higher than the Primary Unit. Television satellite dish antennas may be allowed, if out of view from front and side yards, and only after approval of the Association.

7.14. VEHICLES. No vehicle other than those designated or used primarily for the transportation of nine or fewer persons shall be stored or parked at any Unit. For the purpose of this Paragraph, panel trucks and pickup trucks of not more than one ton capacity shall be deemed to be designated and used primarily for the transportation of persons, provided that no more than one such truck shall be parked or stored on any Unit at a given time. Nothing in this

paragraph shall be construed as prohibiting the temporary presence of delivery trucks, moving vans and the like on any Unit while actually making a pickup or delivery thereon.

7.15. BUSINESS ACTIVITIES. No business activity other than the commercial use as described in Paragraph 7.1 may be conducted on any Unit. No Unit shall be used for the public display or sale of goods, wares or merchandise of any kind, including those made on the Unit. No advertising signs shall be displayed on any Unit. Nothing in this paragraph, or in these restrictions generally, shall be interpreted as precluding the rendering of professional services on any Unit.

7.16. ROAD VEHICLES. No motorized off-road vehicles, dirt bikes or all-terrain vehicles shall operate within the Real Property, except for licensed vehicles operated solely on streets.

7.17. BURNING. No outside burning shall be allowed, except for barbeques, bonfires and campfires in designated fire pits, the burning of trash by a contractor during the construction of a Unit and the burning of garden waste and tree trimmings as approved by the Declarant or the Association.

7.18. WAIVING OF RESTRICTION. The Association shall have the right, in its absolute discretion, to waive any of the foregoing conditions or restrictions upon being shown that the same is unreasonable or unfeasible, as applied to any particular Unit or Units.

7.19. RULES AND REGULATIONS PROMULGATED BY THE ASSOCIATION. The Board of Directors has the authority from time to time to promulgate such rules and regulations as the Board may deem to be in the best interests of the Association. No person may use the common elements, the Units, or any part thereof in any manner contrary to or inconsistent with the rules and regulations. Without limiting the generality of the foregoing, the Board of Directors has the right, but not the obligation, to promulgate rules and regulations limiting the use of the common elements to the members of the Association and their respective tenants. Such use may be conditioned on, among other things, (a) the payment by the Owner of assessments for common expenses and such other assessments or fees as may be established by the Association for the purpose of defraying the costs associated with the use of such common elements and the administration and operation of the Condominium property; and (b) the observance by the Owner, and his or her tenants, of the provisions of this declaration, the Bylaws, and the Association rules and regulations. The Board of Directors has the authority to fine Owners who are not in compliance with this Declaration, the condominium Bylaws and such rules and regulations. The amount and the procedure to impose fines must be established by Board resolution.

7.20. RIGHT OF INGRESS AND EGRESS. Each Owner has a perpetual right of ingress and egress to and from the Owner's Unit. This right passes to all successors in interest to the Unit when the Unit is transferred voluntarily, involuntarily, or by operation of law. Any attempt to transfer voluntarily or involuntarily any common element ownership interest separately from the transfer of the Unit to which such interest pertains will be void.

7.21. CONTRACTS AND LEASES. All contracts or leases that are entered into before the Turnover Meeting (including any management contract), must be terminable without penalty by the Association or the Board of Directors on not less than 30 days written notice to the other party by the Association, given not later than 60 days after the Turnover Meeting. However, any such contracting or leasing party may request the Association to affirm the continuation of any such agreement for the balance of its stated term.

8. BYLAWS; ASSOCIATION; MANAGEMENT.

8.1. ADOPTION OF BYLAWS. On behalf of the Association, Declarant hereby adopts the Bylaws attached hereto as Exhibit A to govern the administration of the Condominium. The Bylaws shall be effective on the execution and recording of this Declaration.

8.2. ASSOCIATION; MEMBERSHIP. The name of the Association shall be Log Cabin Inn Owners Association, Inc. Each Owner of a Primary Unit in the Condominium must be a member of the Association, and membership is limited to Owners only. The Association, which shall be organized when this declaration and the Bylaws are recorded, serves as a means through which the Owners may take action with regard to the administration, management, and operation of the Condominium. The Association will be an Oregon nonprofit corporation. The Association will operate under the name Log Cabin Inn Owners Association, Inc. or as close to that name as is permitted by the Oregon Secretary of State.

8.3. MANAGEMENT; BOARD OF DIRECTORS. The affairs of the Association must be governed by a Board of Directors as provided in the Bylaws. The affairs of the Association include, but are not limited to, the operation, management and maintenance of the Condominium property. The Board of Directors shall elect officers consisting of a chairperson, secretary, and treasurer, and such other officers as the Board of Directors deems prudent or convenient. Pursuant to the provisions of the Bylaws and the Oregon Condominium Act, the Board of Directors may adopt administrative rules and regulations governing details of the operation, maintenance, and use of the Condominium property. The Board of Directors may contract with a professional manager or management firm to manage some or all of the affairs of the Association.

8.4. INTERIM BOARD AND OFFICERS. The Declarant has reserved control over the administration of the Association by reserving the right in the Bylaws to appoint an interim Board of Directors to manage the Condominium until the Turnover Meeting. The members of the interim Board must also serve as the interim officers.

9. EXTERIOR MAINTENANCE.

9.1. EXTERIOR MAINTENANCE. The Owner of each Unit is responsible for the general maintenance and upkeep of the Unit.

10. ARCHITECTURAL CONTROL.

10.1. REVIEW. With the exception of the construction of the eight additional Primary Units on the Variable Property, no building or structure, including any fence, wall, or any other improvement or any exterior addition to or change or alteration of any existing

improvements shall be made on any Unit until the plans and specifications showing the nature, kind, shape, height, materials and location of the same have been submitted to, and approved in writing by, the Association. The Association shall consider the submitted plans and specifications with regard to the type and style of the structure, the quality and use of materials, the exterior design, the location of the structure, the proposed finish grades, the harmony of external design and location in relation to surrounding structures and topography, and the unique climatological and topographic elements of the Real Property.

10.2. TIME FOR APPROVAL. If the Association fails to approve or disapprove any submitted plans and specifications within 30 days after the date of submission, or in any event if no suit to enjoin the addition, alteration or change has been commenced within 30 days after completion thereof, approval will not be required and this Paragraph 11 will be deemed to have been fully complied with.

11. COVENANT.

11.1. CREATION OF LIEN. The Declarant, for each Primary Unit owned by it within the Real Property, hereby covenants and each Owner of any Primary Unit by accepting a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association:

a. Annual assessments for the operation and management of the Condominium property, including insurance for the Association and general common elements, real and personal property taxes on the general common elements, and electricity and other costs associated with condominium utilities; and

b. Special assessments for capital improvements.

c. Annual assessments for a reserve account for the replacement of common elements. The assessments shall be fixed, established and collected from time to time as provided in this Declaration. The assessments, together with interest thereon and the cost of collection thereof, shall be a charge on and a continuing lien upon the property upon which the assessment is made. Each such assessment, together with interest and the cost of collection, shall also be the personal obligation of the person who is the Owner of the Unit at the time when the assessment fell due.

11.2. LIMITED PURPOSE. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, welfare and commercial success of the Owners and visitors of Log Cabin Inn Condominium.

11.3. DETERMINATION. The annual assessment shall be determined as provided below, and shall be in an amount based on the annual Association operating expenses of managing and maintaining the Condominium property, including insurance for the Association and the general common elements, and an amount to be set aside as a reserve account.

11.4. ASSOCIATION BUDGET. Thirty days prior to the annual meeting each year, the board of directors of the Association shall make and approve a budget setting forth the

estimated expenses, charges and costs for the operation of the Association for the current year. The budget shall include an appropriate amount for insurance and for a separate fund to be maintained as a reserve account, as required by law. This budget shall be presented to the annual meeting of Members, but shall not require approval by the Members.

11.5. CALCULATION. After adoption of a budget, the board of directors shall determine an annual assessment upon each Primary Unit in an amount necessary to meet the budget for the current year.

11.6. YEAR. All assessments shall be made based upon a "fiscal year" which commences January 1 and ends the following December 31 of each year.

11.7. DURING DECLARANT CONTROL. Notwithstanding the provisions above for setting the annual assessment, until the first budget year after the date of turnover, as described in Paragraph 6.2., the annual assessment shall be determined by the Declarant and shall be set at the amount necessary to purchase insurance and fund the reserve account as required by law.

11.8. REJECTION BY MEMBERS. After the date of turnover, the annual assessment for each budget year shall be presented to the membership at the annual meeting. At the annual meeting, whether or not a quorum is present, the proposed assessment shall be deemed to be adopted unless two-thirds of the votes of the entire membership reject the proposed assessment. If the proposed assessment is rejected, but the membership does not establish a new amount for an annual assessment for the following budget year, the annual assessment for that budget year shall be the same as the annual assessment for the prior year; provided, however, that the assessment shall not be less than an amount sufficient to pay anticipated expenses for insurance and real and personal property taxes on the general common elements. This provision shall not be construed as prohibiting the Association from modifying its assessment at any other meeting if done in accordance with the provisions of Paragraph 11.9.

11.9. MODIFICATION BY MEMBERS. Subject to the limitations of Paragraph 11.8., the annual assessment may be changed at any meeting duly called for the purpose of modifying the assessments, or at the annual meeting. Written notice of a meeting called for the purpose of modifying the assessment shall be sent to all members not less than 30 nor more than 50 days in advance of the meeting and shall set forth the purpose of the meeting. Any such proposed change in the assessments shall be approved only upon the assent of two-thirds of the votes of the entire membership.

11.10. CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized by Paragraph 11.1., the Association may levy in any budget year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any purchase, construction or reconstruction, or unexpected repair or replacement of a capital improvement upon the general common elements or other property owned by the Association, including the necessary fixtures and personal property related thereto. Any such assessment shall be approved only upon the assent of two-thirds of the votes of the entire membership, at a meeting duly called for this purpose. Written notice of the meeting shall be sent to all members

not less than 30 nor more than 50 days in advance of the meeting, and shall set forth the purpose of the meeting.

11.11. DUE DATES. The annual assessments provided for herein shall be due and payable on the first day of December of each budget year. The Association may, by rule establish a payment schedule of monthly or quarterly payments of the assessments. The due date of any special assessment under Paragraph 11.10 shall be fixed in the resolution authorizing the assessment; or if not so fixed, it shall be due 60 days after the date the assessment is approved.

11.12. DUTIES OF THE BOARD OF DIRECTORS. In addition to duties established by this Declaration, the board of directors of the Association shall prepare the budget and send notice of the proposed assessment as set forth in Paragraph 11. The board of directors also shall, within a reasonable period of time after each annual meeting of the Association, prepare a roster of the Units and applicable assessments, which shall be kept in the office of the Association and shall be open to inspection by any Owner. The Association shall, upon demand at any time, furnish to any Owner liable for any assessment a written certificate, signed by an officer of the Association, setting forth whether such assessment has been paid. A reasonable charge may be made for the issuance of the certificate. Such certificate shall be conclusive evidence of payment of any assessment stated in the certificate to have been paid.

11.13. EFFECT OF NONPAYMENT. If the assessments are not paid on the date when due, as specified in Paragraph 11.11., then the assessment shall become delinquent and shall, together with interest and the cost of collection, become a continuing lien on the Unit from the date of delinquency, which shall bind the Unit in the hands of the then Owner, the Owner's heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment shall, however, remain the Owner's personal obligation for the statutory period and shall not pass to the Owner's successors-in-title unless expressly assumed by them. If the assessment is not paid within 30 days after the date of delinquency, the assessment shall bear interest from the date of delinquency at the rate of 12 percent per annum or the highest rate of interest permitted by law, whichever is lower. The Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the Unit, and there shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action. If a judgment is obtained, the judgment shall include interest on the assessment and reasonable attorney fees in such action or any appeal thereof, to be fixed by the court, together with the costs of the action.

11.14. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments shall be subordinated to the lien of any mortgage or mortgages now or hereafter placed upon the Units. Provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of the Unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve any Unit from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

11.15. EXEMPT PROPERTY. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

- a. All real property expressly dedicated to and accepted by a local public authority and devoted to public use;
- b. All common elements;
- c. All other properties owned by the Association. Notwithstanding any provision herein, no land or improvements devoted to commercial use shall be exempt from assessments.

12. MORTGAGE HOLDER. If a conflict arises between this Paragraph 12. and other provisions of this Declaration, the provisions of this Paragraph 12. shall prevail. The terms "Mortgage" and "Mortgage Holder" are defined in Paragraph 1. above.

12.1. NOTICE OF ACTION. On the written request of a Mortgage Holder, insurer, or guarantor to the Association, identifying the name and address of the person and the Unit number or address of the Unit on which a Mortgage has been placed, the Mortgage Holder, insurer, or guarantor is entitled to timely notice of the following:

- a. Any condemnation loss or casualty loss that affects either a material portion of the Condominium or any Unit securing its Mortgage;
- b. Any 30-day delinquency in the payment of assessments or charges owed by an Owner or any Unit on which it holds a Mortgage;
- c. Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; and
- d. Any proposed action that would require the consent of a specified percentage of eligible Mortgage holders.

12.2. MORTGAGE HOLDER EXEMPT FROM CERTAIN RESTRICTIONS. Any Mortgage Holder that comes into possession of the Unit pursuant to the remedies provided in the Mortgage, by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, is exempt from any "right of first refusal" or other restriction on the sale of the mortgaged Unit, including, but not limited to, restrictions on the posting of signs pertaining to the sale of the Unit.

12.3. SUBORDINATION OF ASSOCIATION LIEN TO MORTGAGE; DISCHARGE OF LIEN UPON FORECLOSURE. The lien of the Association shall be subordinate to any first Mortgage and to other liens that have priority pursuant to the applicable law except as provided in ORS 100.450. Any first Mortgage Holder that comes into possession of the Unit pursuant to the remedies provided in the Mortgage, by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, and any purchaser at the foreclosure sale of a first Mortgage, must take the property free of any claims for unpaid assessments or charges against the mortgaged Unit that accrue before the Mortgage Holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units, including the mortgaged Unit).

12.4. CONSENT OF MORTGAGE HOLDERS TO CHANGE PERCENTAGE OWNERSHIP IN COMMON ELEMENTS. The Owners may not reallocate the percentage of interest in the common elements attributable to any Unit without the prior written approval of holders of first Mortgages that represent at least 51 percent of the votes of mortgaged Units with respect to which the percentage of ownership is proposed to be altered. Nothing in this Paragraph 13.4 may be construed to give the Owners, the Association, or the Board of Directors any specific authority to alter such percentage of ownership and, if any attempt is made to do so, full compliance must be made with this declaration, the Association's Articles of Incorporation, the Bylaws, and the Oregon Condominium Act.

12.5. CONSENT OF MORTGAGE HOLDERS REQUIRED TO TERMINATE PROJECT. Except with respect to termination of the Condominium as a result of destruction, damage, or condemnation, any termination of the Condominium requires the prior written approval of holders of first Mortgages that represent at least 67 percent of the votes of mortgaged Units in the Condominium. Additionally, any such terminations must be carried out by the Owners pursuant to provisions of this declaration, the Association's Articles of Incorporation, the Bylaws, and the Oregon Condominium Act, and must be carried out only after vote of the Owners, as provided in such provision.

12.6. LIMITED RIGHT OF AMENDMENT. Except on the written approval of holders of first Mortgages that represent at least 51 percent of the votes of mortgaged Units in the Condominium, no amendment that adds to or amends any material provision that establishes, provides for, governs, or regulates any of the following may be made to this declaration or the Bylaws:

- a. Voting rights;
- b. Increases in assessments that raise the previously assessed amount by more than 25 percent, assessment liens or subordination of liens, or the priority of common elements;
- c. Reductions in reserves for maintenance, repair, and replacement of common elements;
- d. Responsibility for maintenance and repairs;
- e. Reallocation of interests in the general or limited common elements, or rights to their use;
- f. Redefinition of any Unit boundaries;
- g. Convertibility of Units into common elements or vice versa;
- h. Expansion or contraction of the Condominium project, or the addition, annexation, or withdrawal of property to or from the Condominium project, except as expressly permitted herein;
- i. Hazard or fidelity insurance requirements;

- j. Imposition of any restrictions on an Owner's right to sell or transfer his or her Unit;
- k. Restoration or repair of the Condominium (after damage or partial condemnation) in a manner other than that specified in the documents; or
- l. Any provisions that expressly benefit Mortgage Holders, insurers, or guarantors.

The provisions of this paragraph are intended to limit only the right of the Owners, the Board of Directors, and the Association to amend this declaration and the Bylaws, and are not intended to give any such parties any specific rights to effect any amendments. Any amendments to this declaration or the Bylaws must be made only on full compliance with the provisions of this declaration, the Bylaws, and the Oregon Condominium Act relating to the procedure and percentage of votes required for amendment. An addition or amendment to this declaration or the Bylaws will not be considered to be material so as to require the consent or approval of Mortgage Holders, if its purpose is to correct technical errors or to clarify.

12.7. REQUEST FOR APPROVAL OF MORTGAGE HOLDERS. Any Mortgage Holder that receives a written request to approve additions or amendments to this declaration or the Bylaws, or any other action to be taken by the Board of Directors, the Association, or Owners will be deemed to have given such approval unless the Mortgage Holder delivers or posts a negative response within 60 days after receipt of the request.

12.8. PROXY HELD BY MORTGAGE HOLDER IN CERTAIN CASES. A Mortgage Holder that reasonably believes that the Association has failed to maintain the general common elements to prevent excessive wear and tear may attend a meeting of the Association and may cast the vote of the Owner of the Primary Unit on which the Mortgage Holder holds a Mortgage if the proposal under consideration concerns maintaining the common elements, including imposing special assessments necessary to pay for such maintenance. However, such right arises only if the Mortgage Holder reasonably believes that the Association has failed to maintain the common elements in sufficient manner to prevent excessive wear and tear.

12.9. RIGHT TO EXAMINE DOCUMENTS. The Association must make available to Owners, lenders, and Mortgage Holders current copies of this declaration, the Bylaws, the Articles of Incorporation, other rules concerning the Condominium, and the books, records, and financial statements of the Association. The Association has the right to impose a reasonable charge for any copies requested by Owners, prospective purchasers, lenders, or Mortgage Holders.

12.10. RIGHT TO RECEIVE ANNUAL REPORTS. On written notice, any Mortgage Holder is entitled to an audited financial statement for the immediately preceding fiscal year, free of charge to the parties so requesting. The holders of first Mortgages representing at least 51 percent of the votes of mortgaged Primary Units in the Condominium are entitled to have an audited financial statement prepared at their expense if the statement is not otherwise available. The Association and its officers, directors, and manager (if any) must cooperate with the Mortgage Holders and their auditors to facilitate the necessary auditing and

review process. The financial statement must be furnished within a reasonable time following the request.

12.11. RIGHT TO RECEIVE WRITTEN NOTICE OF MEETINGS. On a Mortgage Holder's written request, the Association must give all Mortgage Holders written notice of all meetings of the Association, and the Mortgage Holders must be permitted to designate a representative to attend all such meetings.

12.12. LIST OF MORTGAGE HOLDERS. The Association must maintain at all times a list of Mortgage Holders who have given the Association notice on any matter described in Paragraph 12. of this Declaration, which list shall include their names, addresses, the Units and mortgages affected, and the matters with respect to which the Mortgage Holders have requested notice, provided that the information has been furnished to the Association by the Owners or their Mortgage Holders.

13. GENERAL PROVISIONS.

13.1. AMENDMENT. This Declaration may be amended at any time by the Declarant, to the extent permitted by law, prior to the expiration of Class B membership as defined in Paragraph 5., by a properly recorded instrument executed by the Declarant. This declaration may be amended at any time by a properly recorded instrument executed by each member of the board of directors of the Association, certifying that the amendment was approved by a vote of three-quarters of the votes of the entire membership at a meeting of the Association for which written notice of the proposed amendment had been sent to every Owner at least 30 but not more than 50 days prior to the meeting in which the amendment was adopted. Declaration amendments may be proposed by a majority of the board of directors or by thirty percent (30%) of the unit owners. Unless the amendment specifies otherwise, any amendment shall be effective upon recordation. All amendments to this Declaration shall take effect when (i) certified by the chairperson and secretary of the Association, (ii) approved by the County Assessor and the Real Estate Commissioner and (iii) recorded in the Deed Records of Lane County, Oregon. NOTICES. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, post paid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

13.2. AUTHORITY TO GRANT EASEMENTS, RIGHTS-OF-WAY, LICENSES, AND OTHER SIMILAR INTERESTS/ENCROACHMENTS.

a. GENERAL. The Association has the authority to execute, acknowledge, deliver, and record easements, rights-of-way, licenses, and other similar interests affecting the general common elements on behalf of Owners, provided that the granting of any such interest for a term of two years or less, other than interests in ground leases, has been approved by a majority of the Board of Directors. All grants of leases, easements, right of way, license or other similar interest affecting the general common elements for a term of more than two years to a public body, as defined under Oregon law, or to a utility or a communications company for underground installation and maintenance of power, gas, electric, water or other utility and communication lines and services requires the approval of a majority of the Board of

Directors. The granting of a lease, easement, right of way, license or other similar interest to an owner for the exclusive use of a part of the general common elements to which the owner's unit provides primary access requires the approval of a majority of the Board of Directors. All other grants require the approval of seventy five percent (75%) of the Owners. An instrument granting any such interest must be executed by the chairperson and secretary of the Association, must be acknowledged in the manner provided for acknowledgment of such instruments by such officers, and must state that the grant, other than for ground leases, was approved by the appropriate number of directors. The consent to vacation of roadways within and adjacent to the condominium must be approved first by at least a majority of unit owners present voting in person or by proxy at a duly constituted meeting of the association called for the purpose.

b. UTILITY EASEMENTS; DEDICATIONS. Anything in this Declaration to the contrary notwithstanding, Declarant has the right to execute, deliver, and record on behalf of the Association and the Owners such documents as may be required to grant easements, rights-of-way, and licenses over the common elements for the installation, maintenance, and repair of public utilities serving the Condominium or adjacent property. Declarant also has the right to execute, deliver, and record on behalf of the Association and the Owners such deeds and other documents as may be required to convey, dedicate, or grant easements, rights-of-way, or licenses over common elements, as may be required by any government or governmental agency to complete development of the Condominium. To effect the intent of this Paragraph 13.2., each Owner, by acceptance of a deed or contract to a Unit, whether or not it is expressed in the deed or contract, for the Owner and the Owner's successors in interest, irrevocably appoints Declarant, or his or her nominee, as his or her lawful attorney-in-fact for the purpose of executing any and all documents required or permitted to be executed hereunder. The power of attorney and the rights under this paragraph expire when Declarant no longer owns a Unit or three years from the date this Declaration or any Supplemental Declaration is recorded, whichever is earlier.

c. ENCROACHMENTS. There is an easement for any encroachment of the common elements on any Unit or an encroachment of any Unit on the common elements or another Unit arising from the original construction, reconstruction, authorized repair, shifting, settling, or other movement of any portion of the condominium improvements. Such easements exist indefinitely and may be terminated only by the voluntary act of the party who benefits from the easement.

13.3. DECLARANT'S SPECIAL RIGHTS. Declarant has the following special rights:

a. SALES OFFICE AND MODEL. Declarant has the right to maintain sales and/or rental offices and sales and/or rental models in one or more of the Primary Units that Declarant owns. Declarant, its agents, and prospective purchasers have the right to park automobiles on the common elements and to use and occupy the sales and/or rental office and models during reasonable hours any day of the week.

b. "FOR SALE" SIGNS. Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the Condominium property.

c. NO CAPITAL ASSESSMENTS WITHOUT CONSENT. Neither the Association nor the Board of Directors may make any assessments for new construction, acquisition, capital improvements, or otherwise without Declarant's prior written consent, as long as Declarant owns two or more Primary Units in the Condominium. Nothing contained in this Paragraph 13.3.c. shall be construed to limit Declarant's obligation to pay assessments for common expenses on Units owned by Declarant pursuant to requirements of the Oregon Condominium Act.

d. COMMON ELEMENT MAINTENANCE BY THE ASSOCIATION. The Association must maintain all general common elements in a clean and attractive condition. If the Association fails to do so, Declarant may perform such maintenance at the expense of the Association.

e. DECLARANT'S EASEMENTS. Declarant and its agents and employees have an easement on and over the common elements for the completion of any portion of the Condominium, including furnishing and decorating any Unit, sales office, or model, and the right to store materials on the common elements at reasonable places and for reasonable lengths of time.

f. DECLARANT'S OTHER SPECIAL RIGHTS. The rights reserved to Declarant in this Paragraph 13.3. in no way limit any other special rights that Declarant, as a declarant, may have, whether pursuant to the Oregon Condominium Act or otherwise. On the expiration of any or all such special rights, Declarant will have the same rights as any other Owner in the Condominium with respect to such ownership.

g. ASSIGNMENT OF DECLARANT'S RIGHTS. Declarant has the right to assign any and all of its rights, including, without limitation, Declarant's special rights, as set forth in this Paragraph 13.3., or to share such rights with one or more other persons exclusively, simultaneously, or consecutively.

h. EXPIRATION OF DECLARANT'S SPECIAL RIGHTS. Unless otherwise provided, Declarant's special rights, as reserved in this Paragraph 13.3., expire on the conveyance by Declarant of the last Primary Unit owned by Declarant.

13.4. SERVICE OF PROCESS. The designated agent to receive service of process in cases provided in ORS 100.550(1) is named in the Condominium Information Report which will be filed with the Real Estate Agency in accordance with ORS 100.250(1)(a).

13.5. ENFORCEMENT. Enforcement of this Declaration shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the Unit to enforce any lien created by this Declaration. Failure by the Association or any Owner to enforce any covenant or restriction shall not be deemed a waiver of the right to do so thereafter.

13.6. RIGHT TO MAKE IMPROVEMENTS TO COMMON ELEMENTS. Declarant is reserving the right to make improvements to the common elements consisting of,

but not limited to, paving, landscaping, creating parking spaces and recreational amenities for the Condominium.

13.7. INTERPRETATION. The rights and obligations of all members of the Association and any person dealing with the Association or any of its members with respect to matters pertaining to this declaration, the Articles of Incorporation, any Supplemental Condominium Declaration, or the Bylaws must be interpreted in accordance with and governed by the laws of the State of Oregon.

13.8. WAIVER OF RIGHTS. The failure of the Association, the Board of Directors, an officer, or an Owner to enforce any right, provision, covenant or condition provided in this declaration, any Supplemental Declaration, the Articles of Incorporation, or the Bylaws do not constitute a waiver of the right of any such party to enforce the right, provision, covenant, or condition in the future.

13.9. LEGAL PROCEEDINGS. Failure to comply with any of the terms of this declaration, any Supplemental Condominium Declaration, the Articles of Incorporation, the Bylaws and any rules or regulations adopted thereunder is grounds for relief, which may include, without limitation, fining the non-complying Owner, bringing an action to recover money due, damages or a suit for injunctive relief, or an action to foreclose a lien, or any combination. Relief may be sought by the Association, the Board of Directors, an officer, a professional manager or management firm, or, if appropriate, by an aggrieved Owner.

13.10. COSTS AND ATTORNEY FEES. In any proceeding arising because of an alleged failure of an Owner to comply with the terms and provisions of this Declaration (as amended or supplemented), the Bylaws (as amended), the Articles of Incorporation, rules and regulations adopted under the Bylaws, or the Oregon Condominium Act, the prevailing party is entitled to recover the cost of the proceedings and such reasonable attorney fees as may be determined by the trial court in any trial or by the appellate court in any appeal. In addition, the Association is entitled to recover costs and attorney fees incurred by it to collect delinquent assessments or fines, or to enforce the terms of this declaration, Supplemental Declaration, Articles of Incorporation, Bylaws or any rules or regulations promulgated thereunder whether or not any collection or foreclosure action or suit is filed.

13.11. SEVERABILITY. Invalidation of any one of the provisions contained herein by judgment or court order shall in no way affect the validity or enforceability of any other provision of this Declaration, and such other provisions shall remain in full force and effect.

13.12. COMPLIANCE. Each Owner must comply with the provisions of this declaration, any Supplemental Condominium Declaration, the Articles of Incorporation, and the Bylaws, and with the administrative rules and regulations adopted thereunder, and with all other applicable covenants, conditions, and restrictions of record. Failure to comply will be grounds for suit or action, maintainable by the Association or any Owner in addition to other sanctions that may be provided in the Bylaws or in any existing administrative rules and regulations.

13.13. CONFLICTING PROVISIONS. This Declaration is intended to comply with the provisions of the Oregon Condominium Act, which provisions are incorporated herein. If any of the provisions here conflict with the provisions of the statutes, the statutory provisions apply. If a conflict arises between or among the provisions of this declaration, the Articles of Incorporation of the Association, the Bylaws, and any administrative rules and regulations, the provisions of this declaration must be paramount to those of the Articles, the Bylaws, and the rules and regulations, and the Articles will be paramount to the Bylaws and the rules and regulations, and those of the Bylaws will be paramount to the rules and regulations. For purposes of this Paragraph 13.13., the term "declaration" includes all amendments to this declaration and Supplemental Declarations, and the term "Bylaws" includes all amendments to the Bylaws.

13.14. SECTION AND PARAGRAPH CAPTIONS. Section and paragraph captions shall not be deemed to be a part of this Declaration unless the context otherwise requires. In construing this Declaration, if the context so requires, the singular shall be taken to mean and to include the plural, the masculine and feminine shall be taken to mean and to include the neuter, and, generally, all grammatical changes shall be made, assumed, and implied to make the provisions hereof apply equally to individuals, trusts, estates, personal representative, trustees, and corporations.

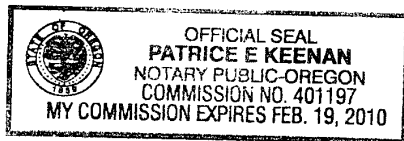
The undersigned Declarant of the subject property has caused this Declaration to be executed 3-16, 2009.

LOG CABIN LLC, Declarant

By Steve McGhehey
Member

STATE OF OREGON)
)ss.
COUNTY OF LANE)

This instrument was acknowledged before me on 3-16, 2009 by Steve McGhehey, Member of Log Cabin LLC.



Patrice E. Keenan
Notary Public for Oregon
My commission expires: Feb. 19, 2010

The foregoing Declaration is approved pursuant to ORS 100.110 on April 17, 2009.

LANE COUNTY ASSESSOR

By Anette Spickard
Anette Spickard

The foregoing Declaration is approved pursuant to ORS 100.110 on March 20, 2009,
and in accordance with ORS 100.110(7), this approval shall automatically expire if this
Declaration is not recorded within two (2) years from this date.

~~SCOTT W. TAYLOR~~ Greene Bentley
Oregon Real Estate Commissioner

By Laurel Steier

BYLAWS
OF
LOG CABIN INN OWNERS ASSOCIATION, INC.
GOVERNING
LOG CABIN INN CONDOMINIUM

HERSHNER HUNTER LLP
ATTORNEYS
180 East 11th Avenue, Eugene, Oregon 97401
PO Box 1475, Eugene, Oregon 97440
541-686-8511
fax 541-344-2025

exhibit A

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BYLAWS
OF
LOG CABIN INN OWNERS ASSOCIATION, INC.
GOVERNING
LOG CABIN INN CONDOMINIUM

1. GENERAL PROVISIONS

1.1. UNIT OWNERSHIP. The condominium, located in the County of Lane, State of Oregon, known as Log Cabin Inn Condominium, is submitted to the provisions of ORS 100.005 et seq., the Oregon Condominium Act, by the Declaration for Condominium Ownership for Log Cabin Inn Condominium and these Bylaws.

1.2. NAME AND LOCATION. The name of the corporation is Log Cabin Inn Owners Association, Inc., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 56483 McKenzie Highway, McKenzie Bridge, Oregon 97413, but meetings of the members and directors may be held at such places as may, from time to time, be designated by the board of directors.

1.3. APPLICABILITY. These Bylaws are adopted by the Declarant on behalf of the Association as the Association's initial Bylaws and shall govern the administration of the Association and the Condominium. The Association has been organized for the purpose of providing maintenance, preservation and architectural control of the Units and common areas within the Condominium known as, and referred to herein as, Log Cabin Inn Condominium. All present or future owners, or their employees, or any other person who might use the facilities of the Condominium in any manner, are subject to the regulations set forth in these Bylaws. The acquisition, mere occupancy, or rental of any of the Units of the Condominium constitutes acceptance and ratification of these Bylaws and agreement to comply with all the provisions of these Bylaws.

1.4. DEFINITIONS. Except as otherwise provided below, the terms herein shall have the meaning set forth in the Oregon Condominium Act, ORS 100.005 et seq., as supplemented by the Declaration, and those statutes and definitions are incorporated herein by this reference. As used in these Bylaws and in the Declaration, the following terms have the following meanings:

a. "Association" shall mean and refer to Log Cabin Inn Owners Association, Inc., an Oregon Nonprofit Corporation.

b. "Declaration" shall mean and refer to that certain Declaration For Condominium Ownership For Log Cabin Inn Condominium applicable to the Condominium

known as Log Cabin Inn Condominium, and recorded in the Deed Records of Lane County, Oregon.

c. "Declarant" shall mean and refer to Log Cabin LLC.

d. "Member" shall mean and refer to each of those Owners of Units in Log Cabin Inn Condominium who are entitled to membership in the Association as provided in Paragraph 2.2.

e. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Unit or the purchaser of the fee simple interest in a Unit under a contract of sale, but, notwithstanding any applicable theory of a lien, mortgage or trust deed, shall not mean or refer to a lienholder, mortgagee, vendor under a contract of sale, or a beneficiary or trustee under a trust deed unless and until such lienholder, mortgagee, vendor, beneficiary or trustee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. For all purposes of the Declaration and the administration of the Condominium, Unit ownership is determined on the basis of the records maintained by the Association. The record must be established by the Owner filing with the Association a copy of the deed to or contract of sale for his or her Unit, to which must be affixed the certificate of the recording officer of the County of Lane, Oregon, showing the date and place of recording of the deed or contract. No person may be recognized as an Owner unless a copy of the deed or contract showing him or her to be the current owner or contract purchaser of a Unit has been filed with the Association as provided above. Notwithstanding the foregoing, Declarant is the owner of all previously unsold Units, although no deed or contract of sale, with respect to such Units, has been filed with the Association.

f. "Unit(s)" shall mean those parts of the Condominium designated in Paragraph 3 of the Declaration as Primary Units or Parking Units and comprised of the spaces enclosed by each of their respective boundaries as described in Paragraph 3 of the Declaration.

2. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

2.1. ASSOCIATION RESPONSIBILITIES. The Owners of the Units constitute the members of the Association, which has the responsibility of management and operation of the Condominium property, approving the annual budget, establishing and collecting assessments, and arranging for the operation, management, and maintenance of the Condominium property, including negotiating and contracting with and supervising any person, persons, or business entity with respect to such matters.

2.2. MEMBERSHIP. Every person or entity who is an Owner of any Primary Unit and Parking Unit shall be a Member of the Association. Only Owners of Primary Units may own and be Owners of Parking Units.

2.3. VOTING RIGHTS. The Association shall have two classes of voting membership:

a. CLASS A. Class A membership shall be all Owners with the exception of the Declarant. Class A Members shall be entitled to one vote for each Primary Unit

owned. Unless a valid court order establishes the authority of a co-owner to vote, when more than one person is an Owner of any Primary Unit, all such persons shall be Members, and the vote for such Unit shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Unit.

b. CLASS B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three votes for each Primary Unit which it owns. The Class B Member shall be entitled to vote on all issues which come before the Members of the Association. Class B membership shall cease and become converted to Class A membership on the earlier of: (a) the date on which 50 percent of the Primary Units in the Condominium have been conveyed to persons other than Declarant or (b) the date on which seven years have elapsed since the date of the first conveyance of a Primary Unit in the Condominium to a person other than Declarant.

2.4. ASSIGNMENT. Voting rights held by any Owner in his or her capacity as a Member of the Association shall not be assigned to another person without the permission of the Association. Any such assignment of voting rights shall be in writing and shall be filed with the secretary of the Association.

2.5. AUTHORITY TO VOTE. All Owners are entitled to vote. An Owner's right to vote may not be revoked. A purchaser under a land sale contract who is entitled to immediate possession of the Unit is deemed to be the Owner, unless otherwise provided in the contract.

2.6. ACTIONS BY ASSOCIATION; LEGAL MEETING. Except as otherwise provided in the Declaration, the Articles of Incorporation, these Bylaws, the Oregon Condominium Act, or the Oregon Nonprofit Corporation Act, decisions and resolutions of the Association must require approval by a majority of Owners present at any legal meeting. For purposes of these Bylaws, a legal meeting is a formal meeting duly called pursuant to these Bylaws at which a quorum is present in person or by proxy, or a ballot meeting where the number of Owners casting written ballots constitutes a quorum.

3. TRANSITION FROM DECLARANT CONTROL

3.1. DECLARANT CONTROL. Until the date of turnover, as provided in this article, the Declarant shall control the Association. During the period of Declarant control, the board of directors of the Association shall consist of at least one and not more than three individuals, each of whom shall be named by the Declarant and who shall serve until the date of turnover, or until removed by the Declarant, with or without cause. During the period of Declarant control, any act which the Association is permitted to perform may be performed by the board of directors without any vote of the membership.

3.2. TURNOVER. Not later than 90 days of the earlier of: (a) the date on which 50 percent of the Primary Units in the Condominium have been conveyed to persons other than Declarant or (b) the date on which seven years have elapsed since the date of the first conveyance of a Primary Unit in the Condominium to a person other than Declarant, Declarant shall call a meeting (the Turnover Meeting) for the purpose of turning over control of the

Association to the Members. If the Declarant fails to call for the Turnover Meeting, any Owner may call the meeting. The Turnover Meeting shall be the initial meeting of the Association.

3.3. ELECTION OF DIRECTORS. The Members shall elect a board of directors at the Turnover Meeting in accordance with these bylaws. If the Members fail to elect a board of directors, the Declarant shall call such subsequent meeting or meetings as are necessary to enable the Members to elect a board of directors. The date of turnover shall be the date of the Turnover Meeting or such subsequent meeting when the Members are able to elect a board of directors.

3.4. CONTROL AFTER TURNOVER. After the date of turnover, control of the Association shall be vested in the Members, operating through the elected board of directors. After the date of turnover, the Declarant shall have Class A membership as that term is defined in Paragraph 2.3.

4. MEETING OF MEMBERS

4.1. ANNUAL MEETINGS. The annual meeting of the Members shall be held at 7:30 p.m. on the first Saturday of November of each year. Beginning with the first meeting after the date of turnover as described in Paragraph 3.3., at each annual meeting, the Members shall elect members of the board of directors, shall consider the annual assessments as described in Paragraph 12. of the Declaration, and shall transact such other business as may legally come before the meeting.

4.2. SPECIAL MEETINGS. Special meetings of the Members may be called at any time by the chairperson of the board of directors, a majority of the board of directors or one fourth of all of the votes of the Class A membership.

4.3. NOTICE OF MEETINGS. Written notice of each meeting of the Members, including the Turnover Meeting, the Annual Meeting, and any Special Meetings, shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 10 but not more than 50 days before such meeting to each Member entitled to vote. The notice shall be addressed to the Member's address last appearing on the books of the Association, or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

4.4. QUORUM. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, 50 percent of the votes of the membership shall constitute a quorum for any action, except as otherwise provided in Oregon statutes, the articles of incorporation, the Declaration, or these bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

4.5. PROXIES. At all meetings of Members after turnover, each Member, whether Class A or Class B, may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon

conveyance by the Owner of the Owner's Unit. All proxies and ballots shall be kept by the association for one year from the date of the determination of vote.

4.6. WRITTEN BALLOTS. The use of written ballots without a meeting, for approving or rejecting matters subject to meetings of Members, is prohibited.

4.7. RULES OF ORDER. Meetings of the Association and the Board of Directors shall be conducted according to the latest edition of Robert's Rules of Order published by the Robert's Rules Association and in accordance with provisions of ORS Chapter 100.

5. BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

5.1. NUMBER AND QUALIFICATION. The business and affairs of the corporation shall be managed and controlled by a board of directors. The number of directors of the corporation shall be not less than one or more than three during the period of Declarant control. After the date of turnover, as described in Paragraph 3.3., the number of directors of the corporation shall be not less than three or more than seven, with the exact number of directors within such maximum and minimum limitations to be fixed by a resolution of the board of directors from time to time. Each director shall hold office until the next annual meeting of the directors, and until that director's successor has been elected, or until that director's death or until that director resigns or is removed in accordance with the provisions of these Bylaws.

5.2. REMOVAL. Any director, except directors named by the Declarant prior to the date of turnover, may be removed from the board, with or without cause, by a majority vote of the Members of the Association, but only at a meeting called for the purpose of removing the director, which purpose shall be stated in the notice of the meeting.

5.3. COMPENSATION. No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for that director's actual expenses incurred in performance of the director's duties.

5.4. VACANCIES. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association must be filled for the balance of the term of each directorship by vote of a majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected must be a Director until his or her successor is elected or upon expiration of the term for which the person was elected by the other Directors to serve.

6. NOMINATION AND ELECTION OF DIRECTORS

6.1. NOMINATION. After the date of turnover, nomination for election of the board of directors shall be made from the floor at the annual meeting.

6.2. ELECTIONS. Election to the board of directors shall be by written ballot. At the election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is permitted.

7. MEETINGS OF DIRECTORS

7.1. OPEN MEETINGS. All meetings of the board of directors shall be open to all Owners. The Board of Directors shall vote in an open meeting whether to meet in executive session to consider the following matters:

- a. Consultation with legal counsel concerning the rights and duties of the association regarding existing or potential litigation or criminal matters;
- b. Personnel matters, including salary negotiations and employee discipline;
- c. The negotiation of contracts with third parties;
- d. The collection of unpaid assessments.

If the Board of Directors votes to meet in executive session, the prevailing officer of the Board of Directors shall state the general nature of the action to be considered, and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to owners. The meeting and notice requirements of this section may not be circumvented by chance or social meetings or by any other means. A contract or an action considered in executive session does not become effective unless the Board of Directors, following the executive session, reconvenes in open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting.

7.2. REGULAR MEETINGS. Regular meetings of the board of directors shall be held at least annually, or more frequently as the board shall, in its sole discretion, determine, at such place and hour as may be fixed from time to time by resolution of the board. Notice of such meetings shall be posted at a place or places in Log Cabin Inn Condominium as designated from time to time by the board of directors at least three days prior to the meeting or by such other method as the directors shall, from time to time, designate. Any or all directors may participate by telephone in a meeting of the directors if all participants may simultaneously hear each other. A director participating in a meeting by this method is deemed to be present at the meeting and to have waived any objection as to the adequacy of notice.

7.3. SPECIAL MEETINGS. Special meetings of the board of directors shall be held when called by the president of the Association, or by any two directors after not less than three days' notice to each director. Notice of such special meeting shall also be posted or otherwise provided in the same manner as notice of the regular meetings. It shall be the responsibility of the person or persons calling a special meeting to comply with the notice requirements.

7.4. EMERGENCY MEETINGS. Whenever the president of the Association or any two directors, in their sole discretion, determine that an emergency meeting of the directors is necessary, such persons may call an emergency meeting with only such notice as is reasonable under the circumstances. The minutes of any emergency meeting shall state the reason for the emergency.

7.5. QUORUM. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly-held meeting at which a quorum is present shall be regarded as the act of the board.

8. POWERS AND DUTIES OF DIRECTORS

8.1. POWERS. The board of directors shall have power to:

a. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of law, the Declaration, the articles of incorporation or these Bylaws;

b. Declare the office of a member of the board of directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the board of directors;

c. Employ an independent contractor, or other employees as the directors deem necessary, and to prescribe the duties of the contractor or employees;

d. Adopt any rules and regulations necessary or convenient for the benefit and enjoyment of the Owners of Log Cabin Inn Condominium in the operation thereof and the use of the Common Elements, and governing the conduct of Members or their guests consistent with the purposes of the Declaration, and the establishing of penalties for the infraction of such rules and regulations;

e. Suspend the voting rights of any Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for infractions of published rules and regulations;

f. Purchase, lease or otherwise acquire, in the name of the Association or its designee, corporate or otherwise, on behalf of the Owners, Units offered for sale or surrendered by their Owners to the Association;

g. Purchase Units at foreclosure sales (judicial or nonjudicial) or other judicial or execution sales, in the name of the Association or its designee, corporate or otherwise, on behalf of all Owners upon the consent or approval of the Owners:

h. Bid for and purchase any Unit at a sale pursuant to a foreclosure of the lien for common expenses under the Act, or at a sale pursuant to an order or direction of a court, or other involuntary sale, upon the consent or approval of the Owners;

i. Sell, lease, mortgage, vote the votes appurtenant to (other than for the election of directors), or otherwise deal with Units of the Condominium acquired by the Association or its designee on behalf of all the Owners;

j. Execute ground leases, on behalf of the Association, with all Owners; and

k. Impose charges for late payments of assessments, attorney fees for collection of assessments and, after giving notice and opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and rules and regulations of the Association pursuant to ORS 100.405(1)(k).

l. Subject to the requirements of ORS 105.405(11), initiate or intervene in litigation or administrative proceedings in its own name, without joining the individual Unit Owners, in all matters allowed by the Oregon Condominium Act and ORS 100.105 et seq.

8.2. DUTIES. It shall be the duty of the board of directors to:

a. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one fourth of the Members who are entitled to vote;

b. Maintain bank accounts on behalf of the Association and designating the signatories required therefore. Keep financial records sufficient for proper accounting purposes. Deposit all assessments in a separate bank account, located in the state of Oregon, in the name of the Association. Maintain a current mailing address in the name of the Association.

c. Hire and supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

d. As more fully provided in the Declaration, to:

(1) Operate and manage the Condominium property as a resort providing visitor accommodations, including the marketing and rental of Units and other Condominium property;

(2) Fix the amount of the annual and special assessment against each Unit at least 30 days in advance of each annual meeting;

(3) Send written notice of each assessment to every Owner subject thereto in advance of the annual meeting; and

(4) Take any and all appropriate action against any property for which assessments are not paid within 30 days after the due date, including, but not limited to, foreclosing the lien on said property, or take other appropriate action against the Owner personally obligated to pay the same.

e. Issue, or cause an appropriate officer to issue, upon demand by any Owner, or other person with a recorded interest in any Unit, a certificate setting forth whether or

not any assessment has been paid by that Owner or with respect to that Unit. A reasonable charge may be made by the board for the issuance of such a certificate. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

f. Audit, on an annual basis, the condition of all Units, and require reasonable repairs and replacements to Units, including, but not limited to, furnishings, roof, gutters, carpet, interior and exterior paint and decks, to ensure that the Units and furnishings are kept in good condition. If the Association determines that an emergency repair is necessary and must be made to a Unit, it shall undertake such repair following reasonable attempts to notify the Unit Owner of the necessity of the repair and the Unit Owner's responsibility to so repair, and shall specially assess the Unit Owner and collect the cost of said emergency repair from the Unit Owner as provided in Paragraph 10.8.e. below.

g. Procure and maintain adequate hazard and liability insurance and review this coverage for adequacy at least once every two years;

h. Cause all officers or employees having fiscal responsibilities to be bonded, if it deems bonding appropriate;

i. Cause all general Common Elements and Association property to be maintained, repaired and replaced and employ personnel necessary for maintenance, repair and replacement of the Common Elements and Association property;

j. File any necessary state and federal income tax returns for the Association as provided in ORS 100.417(4), and file an Annual Report with the Oregon Real Estate Agency, as provided in ORS 100.250 and ORS 100.260;

k. Approve and pay any expenses of the Association as they become due;

l. Cause the Association to comply with ORS 100.480 relating to maintenance of documents delivered to the Association by Declarant and maintenance and distribution of financial statements and to maintain copies suitable for duplication of the following: the Declaration, the Articles of Incorporation, the Bylaws, the Association rules and regulations and any amendments thereto, the most recent annual financial statement, and the current operating budget of the Association. Requests to examine, and upon written request duplicate, information, documents and other records of the association must be made in good faith for a proper purpose. Unless exempt, the association is required to provide requested information to an owner within 10 business days after receipt of a written request; and

m. Adopt and amend administrative rules and regulations governing the details of operation and use of the common elements and Units, including a fine structure for violations of these Bylaws, the Declaration, or any rules or regulations promulgated thereunder. However, any such rules or regulations always must be subject to rescission or amendment by the Association on a majority vote of owners present at any properly called meeting at which a quorum is present.

9. OFFICERS AND THEIR DUTIES

9.1. ENUMERATION OF OFFICERS. The officers of this Association shall be a president and vice president, who shall at all times be members of the board of directors, a secretary, a treasurer and such other officers as the board may, from time to time, by resolution, create.

9.2. ELECTION OF OFFICERS. The election of officers shall take place at the first meeting of the board of directors following each annual meeting of the Members.

9.3. TERM. The officers shall be elected annually by the board for a term of one (1) year unless the officer shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

9.4. SPECIAL APPOINTMENTS. The board may elect other officers if the affairs of the Association so require, each of whom shall hold office for the period, have the authority, and perform the duties as the board may, from time to time, determine.

9.5. RESIGNATION AND REMOVAL. Any officer may be removed from office with or without cause by the board. Any officer may resign at any time by giving written notice to the board, the president or the secretary. A resignation shall take effect on the date of receipt of the notice or at any later time specified in the notice, and unless otherwise specified, the acceptance of a resignation shall not be necessary to make it effective.

9.6. VACANCIES. A vacancy in any office may be filled by appointment by the board. The officer so appointed shall serve for the remainder of the term of the vacating officer.

9.7. MULTIPLE OFFICES. No person shall simultaneously hold more than two offices except in the case of special officers created pursuant to Paragraph 9.4.

9.8. DUTIES. The duties of the officers are as follows:

a. PRESIDENT. The president shall preside at all meetings of the board of directors; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments on behalf of the Association and may co sign all checks and promissory notes.

b. VICE PRESIDENT. The vice president shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, may co sign all checks and promissory notes, and shall exercise and discharge other duties as may, from time to time, be required by the board.

c. SECRETARY. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the Members; serve notice of meetings of the board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses, may co sign all checks and promissory notes, and shall perform other duties as required by the board.

d. TREASURER. The treasurer shall receive and deposit in the appropriate bank accounts all monies of the Association and shall disburse funds as directed by resolution of the board of directors; may sign all checks and promissory notes of the Association; shall keep proper books of account; shall cause a financial statement to be prepared and distributed to each Member at the completion of each fiscal year in accordance with ORS 100.480; shall act in the place and stead of the secretary in the event of the secretary's absence, inability or refusal to act; and shall assist the board of directors in preparing an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy to each of the Members.

e. COMMITTEES. The board of directors shall appoint committees as required by statute, the Declaration or these bylaws, or other committees as are deemed appropriate in carrying out its purpose.

10. COVENANTS

10.1. OWNERS' OBLIGATION. As more fully provided in the Declaration, each Owner is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within 30 days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 12 percent per annum, or the highest rate permitted by law, whichever is lower, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and the interest, costs and reasonable attorney fees of any action shall be added to the amount of the assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the common elements or abandonment of the Owner's Unit. The Association shall provide, within 10 business days of receipt of a written request from an owner, a written statement providing detailed information regarding the assessment as provided by ORS 100.480.

10.2. ASSOCIATION LIEN. The Association is entitled to a lien upon individual Units and the undivided interest in the common elements appertaining to such unit for any unpaid assessments and interest that may be enforced on compliance with the provisions of ORS 100.450. In any foreclosure suit by the association with respect to the lien, the Association is entitled to collect reasonable rent from the defaulting owner for the use of his or her Unit and/or is entitled to the appointment of a receiver pursuant to ORS 100.460.

A lien for unpaid assessments and interest shall be prior to the lien of any prior mortgage or trust deed of record for the unit and the undivided interest of the common elements if the Association has given the lender under the mortgage or trust deed 90 days prior written notice in the form provided by ORS 100.450(7).

10.3. PERSONAL OBLIGATION. Liability for all assessments, fines, charges, interest, fees (including attorney fees, whether or not a suit or an action is commenced), and other sums owing by the Owner pursuant to the Declaration, these Bylaws, the Oregon Condominium Act, and rules and regulations of the Association are the personal obligation of the Owner and may be enforced by suit for a money judgment, in addition to all other remedies of

the Association. Any default by the Owner in any provisions of these Bylaws or of the Oregon Condominium Act is deemed to be a default by the Owner of any mortgage to which the Owner is a party or to which the Unit is subject.

10.4. ITEMS INCLUDED IN ASSESSMENTS. The annual assessment of Units must include the following items, which must be common expenses, the payment of which shall be the responsibility of the Association pursuant to payment vouchers approved, in writing, by two members of the Board of Directors:

- a. Expenses of administration, management and operation of the Condominium property.
- b. Expenses of maintenance, repair, replacement and landscaping of the general common elements.
- c. Any deficit in common expenses for any prior period.
- d. The cost of utilities for the general common elements, if any, and other utilities that have a common meter or that are commonly billed.
- e. At the discretion of the Board of Directors, the expense of basic cable or satellite television service to all Units, together with maintenance and repair expenses for such system or service.
- f. The cost of insurance or bonds obtained in accordance with these Bylaws.
- g. The cost of any professional management, if required by mortgage holders or desired by the Board of Directors.
- h. Legal, accounting, and other professional fees.
- i. Any other items that are properly chargeable as an expense of the Association.

10.5. ANNUAL ASSESSMENT. The annual assessment shall be determined as provided below, and shall be in an amount based on the annual Association operating expenses of managing and maintaining the Condominium property, including insurance for the Association and the general common elements, and an amount to be set aside as a reserve account.

The amount of the annual assessment thereafter must be subject to review and modification by the Board of Directors. Except as otherwise provided below, the assessment for all Units must be payable from the date on which the declaration is recorded.

10.6. COLLECTION OF ANNUAL ASSESSMENT. The annual assessments provided for herein shall be due and payable on the first day of December of each budget year.

The Association may, by rule, establish a payment schedule of monthly or quarterly payments of the assessments.

The due date of any special assessment under this paragraph 10. shall be fixed in the resolution authorizing the assessment; or if not so fixed, it shall be due 60 days after the date the assessment is approved.

Owners of each Unit shall maintain said unit, and its furnishings, in good condition. Any repair required by the Association pursuant to paragraph 8.2.f. above, shall be completed within 2 months of the Unit Owner's receipt of written notice thereof. If said Association-required repairs are not completed by the Unit Owner within said 2 months, the Association shall cause the same to be completed and the costs of said repairs shall become a special assessment against the unit.

10.7. CONTRIBUTION TO WORKING CAPITAL. Declarant shall establish in the name of the Association a working capital fund for the Association. Amounts paid into this fund shall be used for the payment of common expenses during the first year of operation of the Condominium, and shall not be considered advance payments of the monthly assessments for common expenses described in this paragraph 10.

10.8. SPECIAL ASSESSMENTS. The Board of Directors has the power to levy special assessments against an owner or all owners for the following purposes and in the following manner:

a. To correct a deficit in the operating budget by vote of a majority of the Board;

b. To collect amounts due to the Association from an owner for breach of the owner's obligations under the Declaration, these Bylaws, or the Association's rules and regulations, by vote of a majority of the Board;

c. To make repairs or renovations to the general common elements if sufficient funds are not available from the operating budget or replacement reserve accounts by vote of a majority of the Board;

d. To make capital acquisitions, additions, or improvements by vote of at least 75 percent of all votes allocated to Units in the Condominium; or

e. To make reasonable and necessary repair of Unit as provided in Paragraphs 8.2.f. and 10.6. above.

10.9. PAYMENT OF ASSESSMENTS. Subject to the provisions of this Paragraph 10., from the date on which the Declaration is recorded, Declarant must:

a. Pay assessments due for operating expenses on all unsold Units from the date of conveyance of the first Unit in the Condominium, from the date of recording the applicable supplemental declaration and supplemental plat recorded pursuant to ORS 100.120; and

b. Pay assessments due for reserves on all unsold Units from the date of conveyance of the first Unit of the Condominium, or, at Declarant's option, pay or require the Owner to pay all accrued reserve assessments against the Unit at the time of the initial sale to the Owner. However, such reserve accrual must not be for a period longer than two years after the Declaration is recorded. The books and records of the Association shall reflect the amount the Declarant owes for all reserve account assessments.

10.10. ASSESSMENT AND FINE COLLECTION COSTS; SUITS AND ACTIONS. Whether or not suit or action is commenced, delinquent Owners are obliged to pay reasonable fees and costs, including, but not limited to, attorney fees (whether or not suit or action is commenced) incurred in connection with efforts to collect delinquent and unpaid assessments, fines, and enforcement of the Declaration, Bylaws, or rules and regulations of the Association. In addition to the assessment for operating expenses and the funding of reserves, assessments may include fees, late charges, fines, and interest imposed pursuant to ORS 100.405(4)(k). Pursuant to ORS 100.405(11), before initiating litigation or an administrative proceeding in which the association and an owner have an adversarial relationship, the party that intends to initiate litigation or an administrative proceeding shall offer to use any dispute resolution program available in Lane County that is in substantial compliance with the standards and guidelines adopted under ORS 36.175. All offers and notice of acceptance of offers shall be made pursuant to ORS 100.405(11). The requirements of this section do not apply to circumstances in which irreparable harm to a party will occur due to delay or to litigation or an administrative proceeding initiated to collect assessments, other than assessments attributable to fines.

If a suit or action is commenced by the directors to collect any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the Bylaws or of the Oregon Condominium Act, the delinquent owner or owners, jointly and severally, will in addition to all other obligations, pay the costs of that suit or action, including reasonable attorney fees to be fixed by the trial court and, in the event of an appeal, the cost of the appeal, together with reasonable attorney fees in the appellate court to be fixed by the court.

10.11. RESERVE ITEMS.

a. RESERVE ACCOUNT. The Declarant has established a reserve account, in the name of the association, for the purpose of funding major maintenance, repair or replacement of those common elements all or part of which will normally require major maintenance, repair or replacement in more than one year and less than 30 years. Payment into this account is deemed a contribution to capital improvement as and when made. The reserve accounts for replacement must be funded by assessment against the same Units that are assessed for the maintenance of the items for which the reserve account is established. Accordingly, the reserve account for replacement of those general common elements, the maintenance of which is provided by assessment against all Owners, must be created by assessment against all Owners.

The Declarant has conducted an initial reserve study that identifies all items for which reserves are or will be established, includes the estimated remaining useful life of each item as of the date of the reserve study, and includes the cost of maintenance and repair and replacement at the end of the item's useful life. Thereafter, the Board of Directors annually shall conduct a reserve

study or review and update an existing study to determine the reserve account requirements. Except as otherwise provided in the Oregon Condominium Act, the reserve account must be used only for major maintenance, repair or replacement of general common elements and must be kept separate from other Association accounts.

The Declarant has prepared an initial maintenance plan for the maintenance, repair and replacement of property for which the Association has maintenance, repair or replacement responsibility under the Declaration or Bylaws or the Oregon Condominium Act. Thereafter, the Board of Directors shall review and update the maintenance plan as necessary.

b. GENERAL OPERATING RESERVE. The Board of Directors must create and maintain a general operating reserve account by allocation and payment thereto monthly of an amount determined by the Board of Directors. This account must be used to pay expenses that exceed budgeted amounts. The initial working capital required by Paragraph 10.7. above must be deposited into the operating reserve account until the Turnover meeting at which time the working capital funds shall be transferred to the Association for deposit in its general operating account.

c. SPECIAL RESERVES. Such other special reserve funds may be set up by the Directors by special assessments of the Owners who benefit thereby as may be required by the Declaration or otherwise determined by the Association to be appropriate, including a reserve fund for any lease payments. Each reserve account must be kept in an account with a safe and responsible depository, must be accounted for separately and, if invested, the obligation of security must be fully guaranteed as to principal by the United States of America or one of its agencies. Assessments paid into the reserve accounts are the property of the Association and are not refundable to sellers of Units. However, nothing contained here prevents sellers of Units from treating their outstanding allocable share of reserve accounts as a separate or reimbursable item in a sale agreement. No Owner has any individual right in any of these reserves, although it is understood that the value of their respective Units may increase in proportion to each Unit's right to receive repair, maintenance, and replacement therefrom.

11. ADOPTION OF BUDGET; DETERMINATION OF FISCAL YEAR; FILING OF INCOME TAX RETURNS

11.1. ADOPTION OF BUDGET. At least 60 days before the beginning of each fiscal year, the Board of Directors must adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair, and replacement of the general common elements and the cost of wages, materials, insurance premiums, services, supplies, and other expenses that may be declared to be general common expenses pursuant to the Oregon Condominium Act, the Condominium instruments, or a resolution of the Association and that will be required during the ensuing fiscal year for the administration, operation, maintenance, and repair of the Condominium and the rendering to the Owners of all related services.

The budget also must include such reasonable amounts as the Board of Directors considers necessary to provide working capital and such general operating reserve accounts, contingency, and other reserve accounts as the Board determines. The amount designated for replacement

reserves must be adjusted annually to reflect current replacement cost and remaining useful life. At least 30 days before the beginning of each fiscal year, the Board of Directors must send to each owner a copy of the budget in a reasonably itemized form that sets forth the amount of the common expenses and any annual and special assessment payable by each owner. The budget must constitute the basis for determining each owner's annual assessment for the common expenses of the condominium.

11.2. FAILURE TO PREPARE BUDGET. The failure of the Board of Directors to timely prepare and/or to present a budget to the Owners is not cause for any Owner to fail or refuse to pay assessments. Assessments must continue, based on the last adopted or accepted budget, until a new budget is created and announced. Retroactive increases and/or special assessments may be made by the Board of Directors to make up for any deficiency.

11.3. FAILURE TO ADOPT BUDGET. If the Board of Directors fails to adopt, in a timely manner, a budget for a new fiscal year, Owners holding a majority of the votes of the entire Association, at any general or specially called meeting, may adopt such a budget, announce it to the Owners, and immediately commence assessments based on the newly adopted budget. Additionally, at any general or specially called meeting, Owners holding a majority of the votes of the entire Association may amend any budget adopted by the Board of Directors. Thereafter, the amount of assessments due from Owners must be based on the budget as so amended until a new budget is adopted in accordance with this Paragraph 11.

11.4. FILING OF INCOME TAX RETURNS. The Board of Directors, in its sole discretion, must determine the manner in which all necessary income tax returns are filed and of selecting any and all persons to prepare such tax returns.

12. INDEMNIFICATION

12.1. DEFINITIONS. As used in this article:

a. "Corporation" means this corporation and any domestic or foreign predecessor entity of this corporation in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

b. "Director" means an individual who is or was a director of this corporation or an individual who, while a director of this corporation, is or was serving at this corporation's request as a director, officer, partner, trustee, employee or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. A director is considered to be serving an employee benefit plan at this corporation's request if the director's duties to this corporation also impose duties on or otherwise involve services by the director to the plan or to participants in or beneficiaries of the plan. "Director" includes, unless the context requires otherwise, the estate or personal representative of a director.

c. "Expenses" include attorney fees.

d. "Liability" means the obligation to pay a judgment, penalty, fine, including an excise tax assessed with respect to an employee benefit plan, or reasonable

expenses incurred in connection with a proceeding. "Liability" includes the obligation to pay a settlement amount actually and reasonably incurred in connection with a proceeding.

e. "Officer" means an individual who is or was an officer of this corporation or an individual who, while an officer of this corporation, is or was serving at this corporation's request as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. An officer is considered to be serving an employee benefit plan at this corporation's request if the officer's duties to this corporation also impose duties on or otherwise involve services by the officer to the plan or to participants in or beneficiaries of the plan. "Officer" includes, unless the context requires otherwise, the estate or personal representative of an officer.

f. "Party" includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.

g. "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal.

12.2. INDEMNIFICATION. Upon a determination that indemnification is permissible in the circumstances, this corporation shall indemnify all directors and officers against any liability incurred in a proceeding; however, indemnification in connection with a proceeding by or in the right of this corporation shall be limited to reasonable expenses in connection with the proceeding. Indemnification of reasonable expenses in connection with any proceeding shall be deemed permissible in any proceeding in which a director or officer is wholly successful, on the merits or otherwise, in the defense of any proceeding.

12.3. DETERMINATION.

a. For the purposes of Paragraph 12.2. above, indemnification is permissible in the circumstances if:

- (1) The conduct of the director or officer was in good faith;
- (2) The director or officer reasonably believed that the conduct of the director or officer was in the best interests of this corporation, or at least not opposed to its best interests;
- (3) In the case of any criminal proceeding, the director or officer had no reasonable cause to believe the director's or officer's conduct was unlawful; and
- (4) A director's or officer's conduct with respect to an employee benefit plan for a purpose the director or officer reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirement of Paragraph 12. above.

b. Determination that indemnification is permissible shall be made as follows:

(1) By the board of directors by a majority vote of a quorum consisting of directors not at the time parties to the proceeding;

(2) If a quorum cannot be obtained under this Paragraph 12., by a majority vote of a committee duly designated by the board of directors consisting solely of two or more directors not at the time parties to the proceeding. Directors who are parties to the proceeding may participate in the designation of the committee;

(3) By special legal counsel selected by the board of directors or its committee in the manner described in Paragraph 12.3.b.(2) above or, if a quorum of the board of directors cannot be obtained under Paragraph 12.3.b.(1) and a committee cannot be designated under Paragraph 12.3.b.(2), the special legal counsel shall be selected by a majority vote of the full board of directors, including directors who are parties to the proceeding; or

(4) By the Members.

c. Evaluation that expenses are reasonable or that a settlement obligation is reasonable shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, evaluation that expenses are reasonable or that a settlement obligation is reasonable shall be made by those entitled under Paragraph 12.3.b.(3) above to select counsel.

d. Termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director or officer did not meet the standard of conduct described in Paragraph 12.3.a. above.

e. Notwithstanding any other provision of this Paragraph, this corporation shall not indemnify a director or officer under this article:

(1) In connection with a proceeding by or in the right of this corporation in which the director or officer was adjudged liable to this corporation; or

(2) In connection with any other proceeding charging improper personal benefit to the director or officer in which the director or officer was adjudged liable on the basis that personal benefit was improperly received by the director or officer.

12.4. ADVANCE FOR EXPENSES. The corporation shall pay for or reimburse the reasonable expenses incurred by any director or officer who is a party to a proceeding in advance of final disposition of the proceeding if the director or officer furnishes a written affirmation of the director's or officer's good faith belief that the director or officer met the standard of conduct set forth in Paragraph 12.3.a. above, and furnishes a written undertaking executed personally or on the director's or officer's behalf, which is an unlimited general obligation of the director or officer to repay the advance if it is ultimately determined that the director or officer is not entitled to indemnification under this article.

12.5. INSURANCE. The corporation may purchase and maintain insurance on behalf of each director and officer against liability asserted against or incurred by the director or officer.

12.6. APPLICATION. The indemnification and provisions for advancement of expenses under this section shall not be deemed exclusive of any other rights to which directors or officers may be entitled under any agreement with this corporation, any general or specific action of this corporation's board of directors, vote of Members or otherwise, or any rights under Oregon law, and the rights under this article shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person. Provided, that notwithstanding any other provision of this Paragraph, no indemnification shall indemnify any director or officer from or on account of acts or omissions for which liability could not be eliminated under ORS 65.047(2)(c).

12.7. CONDEMNATION. The Board of Directors has the sole authority to negotiate with any public or private body or person having the power of eminent domain, and to sue or defend in any litigation involving those bodies or persons with respect to the general common elements of the Condominium, and must assist any Owner whose Unit or a part thereof is the subject of any condemnation or eminent domain proceeding. However, nothing in this or any document or agreement relating to the Condominium may be construed to give an Owner or any party priority over the rights of the first mortgage holders of any Condominium Units in the case of a distribution to the Owner of any such condemnation awards for losses to or a taking of a Unit, Limited Common Elements and/or the general common elements. If a condemning authority takes or acquires part or all of the general common elements, the award or proceeds of settlement must be payable to the Association, or any trustee, for the use and benefit of the Owners and their mortgage holders as their interest may appear. The Board of Directors must distribute the proceeds of any such award or settlement on a reasonable and equitable basis among the Owners.

13. MAINTENANCE AND REPAIR

13.1. OWNER'S DUTY TO MAINTAIN. Every Owner must perform promptly all maintenance and repair work that is needed within his or her own Unit and the limited common elements appurtenant to that Unit, to prevent any negative effect on the common elements of the Condominium or a part thereof belonging to other Owners, and every Owner must be responsible for the damages and liabilities that his or her failure to maintain and repair may cause.

13.2. OWNER'S EXPENSES. All repairs of each Unit and the limited common elements appurtenant to that Unit, and all other accessories and appliances belonging to the Unit and the limited common elements appurtenant to that Unit, must be at the sole expense of the Owner of the Unit.

13.3. REIMBURSEMENT OF ASSOCIATION. An Owner must reimburse the Association for any expenditures incurred in repairing or replacing any common elements and/or facility that was damaged through the Owner's fault and that is not otherwise covered by insurance policies carried by the Owner or the Association for the Owner's and the Association's

benefit. In such circumstances, the insurance obtained by the Owner is deemed to be the primary coverage.

13.4. RIGHT OF ENTRY; EASEMENT FOR MAINTENANCE; ENCROACHMENTS.

a. ASSOCIATION RIGHT OF ENTRY. In case of an emergency originating in or threatening his or her Unit, an Owner must grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association, whether the Owner is present at the time or not.

b. ENCROACHMENT. If any portion of the common elements encroaches on a Unit, or a Unit encroaches on any portion of the common elements, a valid easement exists for the encroachment and for the maintenance of the same, as long as the affected Unit or common element stands. If the affected Unit or common element or either is partially or totally destroyed and then rebuilt, the Owners of the Units agree that minor encroachment of parts of the common elements due to such rebuilding must be allowed and an easement exists for that purpose.

14. INSURANCE. The Board of Directors must obtain and maintain at all times insurance of the type and kind and in the amounts here provided, including insurance for such other risks of a similar or dissimilar nature as are or hereafter customarily must be covered with respect to other condominiums similar in construction and design; the insurance must be governed by the provisions in this Paragraph.

14.1. TYPES OF INSURANCE POLICIES. For the benefit of the Association and the Owners, the Board of Directors must obtain and maintain at all times, and must pay for out of the common expense funds, the following insurance to the extent that it is available at reasonable cost:

a. A policy or policies insuring the Association, its Board of Directors, the Owners individually, and the manager against any liability to the public or the Owners of Units and their invitees or tenants, incident to the ownership, supervision, control, or use of the project. Limits of liability under such insurance must be not less than \$1 million per occurrence for bodily injuries and property damage. Such limit and coverage must be reviewed at least annually by the Board of Directors, which, in its discretion, may increase either. The policy or policies must be issued on a comprehensive liability basis and provide cross-liability endorsements wherein the rights of a named insured under the policy or policies must not be prejudiced with respect to his or her action against another named insured.

b. Workers' compensation insurance to the extent necessary to comply with any applicable laws.

c. A fidelity bond naming such persons as may be designated by the Board of Directors as principals and the Association and the Owners as obligees, for the amount determined by the Board of Directors. However, the Board of Directors must require that all officers and employees of the Association handling or responsible for Association funds obtain adequate fidelity bonds. The premiums on such bonds must be paid by the Association.

The Association will not be responsible for any loss or damage to personal property of any owner, whether stored on the common elements, limited common elements, or in the owner's unit; nor will the Association maintain any insurance coverage for such loss.

14.2. INSURANCE COMPANIES AUTHORIZED. All policies must be written by a company licensed to do business in Oregon and holding a "Commissioner's rating" of "A+" and a size rating of "AAA," or better, by Best's Insurance Reports, or as may be otherwise acceptable to all mortgage holders and directors.

14.3. AUTHORITY TO ADJUST LOSSES. All losses under policies in force must be settled exclusively with the Board of Directors or its authorized representative.

14.4. OWNER'S INSURANCE ON UNIT AND LIMITED COMMON AREAS. The Association has no responsibility to procure or assist in procuring property loss insurance for any Owner or tenant for (1) damage to a Unit or (2) for any damage or loss to the Owner's or visitor's personal property. Owners must be responsible for purchasing insurance policies insuring their units and appurtenant limited common elements and for insuring their own personal property for any loss or damage. Proof of such insurance coverage must be provided to the Association's Secretary by the Owner. Visitors must be responsible for insuring their own personal property for any loss or damage. Owners and tenants of all Units must procure and maintain comprehensive liability policies having combined limits of not less than \$50,000 for each occurrence. Such insurance must provide coverage for, without limitation, the negligent acts of the Owner and visitors and their guests or other occupants of the Unit for damage to the general and limited common elements and other Units and the personal property of others located therein.

14.5. REVIEW OF INSURANCE POLICIES. At least annually, the Board of Directors must review all insurance carried by the Association, which review must include a consultation with a representative of the insurance carrier writing the master policy.

14.6. DUPLICATE COVERAGE. In the event of duplicate insurance coverage, the insurance policy obtained by the Owners is deemed to be the primary coverage.

15. MISCELLANEOUS

15.1. BOOKS AND RECORDS. All documents, information and records required to be maintained by the Association, pursuant to ORS 100.210 and ORS 100.480, shall be located within the State of Oregon and shall be reasonably available for inspection by a Unit Owner and any mortgagee of a Unit. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Unit Owner. The Declaration, the articles of incorporation and the bylaws of the Association shall be available for inspection by any Unit Owner at the principal office of the Association, where copies may be purchased at reasonable cost.

15.2. AMENDMENTS. These bylaws may be amended at a regular or special meeting of the Members, by a vote of the majority of a quorum of Members present in person or by proxy. During the first five (5) years after the initial bylaws are recorded, amendments to the

bylaws shall be approved by the Real Estate Commissioner (if required under the Oregon Condominium Act) prior to recording.

15.3. PRIORITY OF DOCUMENTS. In the case of any conflict between the articles of incorporation and these bylaws, the articles shall control; and in the case of any conflict between the Declaration and these bylaws or the articles of incorporation, the Declaration shall control.

15.4. INSURANCE. It is the responsibility of each Owner to adequately insure the Owner's property, including hazard and liability coverage on the Unit, the limited common elements appurtenant to that Unit, as well as any and all additional insurance which the Owner deems necessary or advisable. The Association will not provide any insurance coverage for the Unit, the limited common elements appurtenant to that Unit and any other property of any Owner.

15.5. FISCAL YEAR. The fiscal year of the Association shall begin on the 1st day of November and ends on the 31st day of October of every year, except that the first fiscal year shall begin on the date of incorporation.

16. ANNUAL REPORT. The Board of Directors must cause an Annual Report, including any amendments, to be filed with the Oregon Real Estate Agency, pursuant to the provisions of ORS 100.250 and ORS 100.260.

17. COMPLIANCE. These Bylaws are intended to comply with the provisions of the Oregon Condominium Act, which are incorporated herein and to supplement the provisions of the Condominium Declaration. If any of the provisions here conflict with the provisions of the statutes, the statutory provisions apply. If any of the provisions here conflict with the provisions of the Declaration, the provisions of the Declaration apply.

18. PARTIAL INVALIDITY. If any provision of these Bylaws is held to be invalid or unenforceable, all other provisions shall nevertheless continue in full force and effect.

19. NOTICES. All notices to the Association or to the Board of Directors must be sent in care of the managing agent or, if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may designate from time to time. All notices to any Owner must be sent to the address designated by the Owner from time to time, in writing, to the Board of Directors or, if no address has been designated, then to the Owner's Unit.

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THESE BYLAWS ARE ADOPTED BY THE DECLARANT OF LOG CABIN INN CONDOMINIUM, AND WILL BE RECORDED IN THE DEED RECORDS OF LANE COUNTY, TOGETHER WITH THE CONDOMINIUM DECLARATION FOR THE CONDOMINIUM, AFTER THE DECLARATION AND BYLAWS ARE APPROVED BY THE ASSESSOR OF THAT COUNTY.

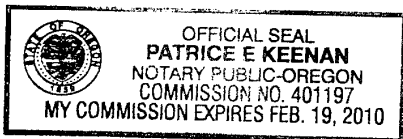
DATED: 3-16, 2009.

DECLARANT LOG CABIN INN LLC

By: Steve McGhehey

STATE OF OREGON)
) ss.
COUNTY OF LANE)

This instrument was acknowledged before me on 3-16-, 2009 by Steve McGhehey, Member of Log Cabin LLC.



Patrice E. Keenan
Notary Public for Oregon
My commission expires: Feb. 19, 2010