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HIDDEN VILLAGE TOWNHOUSES

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AMENDED

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

FOR

HIDDEN VILLAGE TOWNHOUSES

a Planned Unit Development
City of Portland, Multnomah County, Oregon

The declaration made in Multnomah County, Oregon the 13th day of September, 1979 and recorded September 17, 1979 in Book 1383 at Page 317, Multnomah County Deeds and Records, by Harold F. Warlick and Robert E. Harrington, together termed "declarant," for themselves, their successors, grantees and assigns is amended in its entirety to read as follows:

This declaration is made in Multnomah County, Oregon, this 5th day of September, 1980, by Harold F. Warlick, Judith A. Warlick and Robert E. Harrington, together termed "declarant," for themselves, their successors, grantees and assigns. All cited exhibits are attached to and incorporated into this declaration.

WHEREAS:

(1) Declarant is owner in fee simple of the land located in Portland, Multnomah County, Oregon, described in Exhibit A and platted of record as Hidden Village Townhouses ("Hidden Village");

(2) Declarant has constructed and is constructing residential buildings and certain other improvements on the land;

(3) Declarant intends to sell the fee title to individual improved lots (units) to various purchasers subject to covenants, conditions, restrictions and easements to be kept and observed; and

(4) Declarant intends to develop the land and to improve the lots in one phase consisting of 38 units.

NOW, THEREFORE, for those purposes, declarant makes this declaration:

ARTICLE 1

NAME

The name by which the land and improvements shall be known is Hidden Village Townhouses or Hidden Village.

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ARTICLE 2

DEFINITIONS

Unless the context clearly indicates a different meaning:

- 2.1 "Articles of incorporation" means the instrument by which the association is formed and organized as a private, non-profit corporation under general corporation laws.
- 2.2 "Association" or "Hidden Village Owner's Association" means the association of all unit owners acting as a group in accordance with the declaration and the by-laws, or the successor or assign of that association.
- 2.3 "Board" or "board of directors" means the board composed of persons elected by the association as provided in this declaration in accordance with the by-laws, Exhibit B.
- 2.4 "Common elements" means:
 - 2.4.1 The portion(s) of the property and the project owned by the association for common use and enjoyment of all members of the association, but not specifically included in any unit;
 - 2.4.2 General common elements described in section 3.2; and
 - 2.4.3 Limited common elements described in section 3.3.
- 2.5 "Common expenses" means:
 - 2.5.1 Expenses of administration and of maintenance, repair, restoration or replacement of common elements;
 - 2.5.2 Expenses agreed upon as common by all unit owners or declared common by this declaration or by the bylaws; and
 - 2.5.3 Water expense so long as unit meters are not required by public authority.
- 2.6 "Declarant" means Harold F. Warlick, Judith A. Warlick and Robert E. Harrington.
- 2.7 "Declaration" means this instrument.
- 2.8 "General common elements" or "unlimited common elements" are all common elements not defined as limited common elements.
- 2.9 "Institutional holder" means a mortgagee or trust deed beneficiary which is a bank or savings and loan association or

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established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company or any federal or state agency.

2.10 "Lease" means any contract or agreement for exclusive possession of land or tenement for a determinate period or recurring periods and includes, but is not limited to, month-to-month rental.

2.11 "Limited common elements" means those common elements designated in section 3.3 as being reserved for use of a certain unit or units to the exclusion of other units.

2.12 "Lot" means a lot so designated in the recorded plat and in Exhibit D, the residential structure on the lot and all components of ownership with respect to the lot, but does not include common elements lying outside the otherwise bounds of the lot.

2.13 "Majority" or "majority of unit owners" means the owners of more than 19 units.

2.14 "Manager" means the person(s), firm(s) or corporation(s) selected by the board to be in charge of administration of or management of the project.

2.15 "Mortgagee" means a mortgagee or a trust deed beneficiary.

2.16 "Number" with respect to a unit or lot means the arabic number designating a particular unit or lot in the recorded plat.

2.17 "Owner" means the person who is record owner and holder of fee simple legal title, or of a vendee's recorded interest, in a unit, but does not include:

2.17.1 A lessee or a tenant of such an owner, or

2.17.2 A person who owns or holds legal title, vendee's interest or other interest in a unit merely as security for performance of an obligation.

2.18 "Project" means the land, the property, all units and the entire real estate planned unit development referred to in this declaration as Hidden Village.

2.19 "Property" means the land and units included in the description in Exhibit A, buildings on the land and units, all structures on the land and units, all other improvements on the land and units, all easements, all rights, all appurtenances and all articles of the association's personal property intended for use in

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connection with Hidden Village.

2.20 "Unit" means lot. Reference to a unit by number is reference to the lot of the same number.

ARTICLE 3

CONVEYANCE, GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

3.1 Conveyance; Estate of Each Owner:

The legal estate of each unit owner shall be fee simple. Each deed conveying legal title to a unit and each other instrument affecting title to a unit may describe that unit by its identifying number or symbol or may describe that unit as a lot by the same identifying number or symbol. That description will be construed to describe the unit or lot, together with all appurtenant and undivided interests, including the appurtenant rights of use of the common elements, and to incorporate all rights incident to ownership of the unit or lot and all limitations on such ownership as described in this declaration.

3.2 Description of General Common Elements:

The owner of each unit is granted a nonexclusive easement to use and to enjoy the general common elements. General common elements shall be used concurrently by, and shared equally among, all owners, each of whom shall allow maximum use by each other owner. Each owner's right of use is appurtenant to and runs with each unit. Without limiting the generality of the definition of common elements, general common elements include:

3.2.1 The portion(s) of the property and the project not specifically included in a unit.

3.2.2 All parking areas and spaces in which no unit has an irrevocable license, easement and right of exclusive use and occupancy.

3.2.3 Service streets, driveways and roadways contained in the property, subject to termination of status as common elements if such walkways, streets, driveways or roadways are dedicated to and accepted by public authority for public use with the consent of the association.

3.2.4 Subject to the next sentence, all walkways, stairways, railings, balconies, decks, utility pipes, lines, systems, ducts, cables, vents, wires, conduits, conductors and other related accessories or installations of or for power, light, telephone, gas, water, sewerage, heat, refrigeration, air

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conditioning and other facilities and utilities within the project. The portion of each item mentioned in the preceding sentence which is contained within and serves but one unit, is excluded from general common elements, and is part of the unit so served.

3.2.5 All repairs and replacements of items mentioned in paragraphs 3.2.1 through 3.2.4 or of otherwise defined general common elements.

3.3 Description of Limited Common Elements:

3.3.1 Each unit owner is granted an irrevocable license, easement and right of exclusive use and occupancy, as a limited common element, of the garage space having the number on Exhibit D corresponding to the unit number and prefaced by "G". Each unit owner's right of use is appurtenant to and runs with each unit.

3.3.2 Each unit owner is granted an irrevocable license, easement and right of exclusive use and occupancy, as a limited common element, of the parking space having the number on Exhibit D corresponding to the unit number and prefaced by "P". Each unit owner's right of use is appurtenant to and runs with each unit.

3.3.3 All repairs and replacements of otherwise defined limited common elements are limited common elements.

3.4 Association Ownership of Common Elements:

Subject to this declaration, the by-laws and easements of record, declarant conveys all common elements, general and limited, to the association for the common use and enjoyment of members of the association. Each unit's percentage interest in the association, and therefore indirectly in the common elements, is the percentage stated for the unit in Exhibit C. Limited common elements are reserved for use of the owners of beneficiary units to the exclusion of the owners of other units. Each unit owner's use and occupancy of common elements, general or limited, is subject to and in accordance with this declaration, the by-laws, and reasonable restrictions by the association. Taxes on the common elements shall be assessable against common elements only, and the association shall be solely responsible for payment. Such taxes shall, however, be a part of common expenses assessed and paid under Articles 13 and 16.

ARTICLE 4

COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
TO RUN WITH LAND; DURATION AND AMENDMENT

4.1 To protect the value and desirability of Hidden

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Village, all units in Hidden Village shall be occupied, held, sold and conveyed subject to the covenants, conditions, restrictions and easements declared in this instrument. Each owner, by acquisition of ownership, covenants with each other unit, each other unit owner and the association to perform and to obey each covenant, condition, restriction and easement declared.

4.2 Subject to termination under section 4.3, this declaration, with its covenants, conditions, restrictions and easements relating to the project and the property shall inure to the benefit of each unit owner, shall be enforceable, equitable servitudes and shall run with and bind the land and the property. This declaration and the servitudes shall be binding upon declarant, declarant's successors and assigns and upon all owners and subsequent owners of all or any part or unit of the project or the property, upon the grantees, mortgagees, successors, heirs, executors, administrators, devisees and assigns of such owners or subsequent owners and upon all persons having any right, title or interest in the property and their heirs, successors and assigns.

4.3 Subject to section 37.9:

4.3.1 The covenants, conditions, restrictions and easements under this declaration shall endure for a term of 35 years from the date of recording of this declaration.

4.3.2 After that term, they shall be automatically extended for successive terms of 25 years each.

4.3.3 This declaration may be amended during the initial 35 year term by an instrument signed by the owners of not fewer than 9% of the units and thereafter by an instrument signed by the owners of not fewer than 75% of the units. Each amendment shall be recorded.

4.3.4 Amendment may effect termination of the covenants, conditions, restrictions and easements if the required concurrence and consent of unit owners and of mortgagees is attained.

ARTICLE 5

PURPOSES, USES AND RESTRICTIONS

5.1 The purpose of the property is to provide residential housing for each unit owner and for his family and tenants and to provide incidental use by his guests, servants, invitees and licensees.

5.2 Restrictions on Use:

5.2.1 No part of the property shall be used for other than residential housing and related common purposes for which the property is designed. Each unit shall be used and occupied exclusively as a private residence and for no other purpose. With the exception of a lender in possession of a unit following default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no unit owner shall lease his unit for transient or hotel purposes. Rental for transient or hotel purposes is any rental for a period less than 30 days. No unit owner shall lease less than the entire unit. Each lease agreement between a unit owner and a lessee shall provide that the terms of the lease shall be subject in all respects to the provisions of the declaration, the articles of incorporation and the by-laws and that any failure by a lessee to comply with terms of the declaration, the articles of incorporation or the by-laws shall be a default under the lease. Each lease shall be in writing. Except as otherwise stated in this paragraph 5.2.1, there is no restriction on the right of any unit owner to lease his unit.

5.2.2 Except as otherwise provided in this declaration, without prior written consent of the association, there shall be no obstruction of, or storage of items in, general common elements. The association shall regulate use of garages to insure that no garage becomes untidy or unsightly.

5.2.3 No item, except customary deck and patio furnishings, shall be placed, permitted or stored on any deck or patio.

5.2.4 Without prior written consent of the association, nothing shall be done or kept in any unit or in the common elements which will increase the rates of insurance on the buildings or contents beyond that customarily applicable for residential use. No unit owner shall permit in his unit or in the common elements to be done or kept anything which will result in the cancellation of insurance on any building or contents or which would be in violation of any law or regulation of any governmental authority. No waste shall be committed of the common elements.

5.2.5 Except under paragraph 5.2.15, without prior written consent of the association, no unit owner shall cause or permit anything (including, without limitation, a sign, transmitting tower or radio or television antenna) to be hung, displayed or otherwise affixed to or placed on the exterior walls or roofs.

5.2.6 The owner or other person in control of any permitted pet shall pick up and dispose of all litter from the pet. No animal or bird shall be kept or bred for any commercial purpose. Any pet causing or creating a nuisance or disturbance shall be permanently removed from the property upon ten days written notice from the association.

5.2.7 No noisy, noxious or offensive activities shall be carried on in any unit or in the common elements. Neither shall anything be done in any unit or in the common elements, either wilfully or negligently, which may be or become an annoyance, disturbance or nuisance to the other unit owners or occupants. The association may govern the collection or disposal of refuse, garbage or trash. The association may regulate the location and screening of garbage cans or containers for refuse or trash. To fence, wall or screening structure shall be permitted on any lot without prior written consent of the association.

5.2.8 Except as otherwise provided in this declaration, nothing shall be done in any unit or in, on or to the common elements, which will impair the structural integrity of part or all of the buildings as completed and rendered fit for occupancy or which would structurally change all or part of the buildings as completed and rendered fit for occupancy.

5.2.9 Common elements and all portions of each unit outside building(s) shall be kept free and clear of all refuse, garbage, trash, rubbish, debris and other unightly materials. No paint, stain, lacquer, coating, finish or other surfacing material shall be applied to exterior surfaces of residences or buildings without express written consent of the association.

5.2.10 No unit owner shall park or permit the parking of a one ton or larger truck or a recreational vehicle or like equipment on any portion of the property not expressly designated by the association for such parking. The association may further limit the types of vehicles which may be permitted. The association may limit speeds for vehicular travel.

5.2.11 Except under paragraph 5.2.12, and except as permitted by, and subject to the rules of, the association,

5.2.11.1 No industry, business, trade, occupation or profession of any kind, whether for commercial, religious, educational, charitable or other purpose, shall be conducted, maintained or permitted on any part of the property; and

5.2.11.2 No "For Sale" or "For Rent" sign or other window display or advertising shall be maintained or permitted by any unit owner on any part of the property or in any unit.

5.2.12 Exceptions to paragraph 5.2.11 are:

5.2.12.1 The declarant may perform or cause to be performed work which is incident to completion of the development of the property and the project or to sale of units owned by declarant;

5.2.12.2 The declarant or the agent of declarant may place

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"For Sale" signs on any unsold unit and may place other such signs on the property as may be required to facilitate sale of unsold units.

5.2.12.3 The association, the board or the agent or representative of the association or the board may place "For Sale" signs on any unit or on the property for the purpose of facilitating disposal of units by any unit owner, any mortgagee or the association.

5.2.12.4 A unit owner with respect to a unit, or the association or the board or the agent or representative of the association or the board, with respect to common elements, may perform or cause to be performed any maintenance, repair or remodeling work or other work required or permitted by this declaration; and

5.2.12.5 During any foreclosure proceeding or any redemption period, a mortgagee or trust deed beneficiary may place "For Rent" or "For Sale" signs on the property if each sign does not exceed one and one-half (1-1/2) feet by two and one-half (2-1/2) feet in size.

5.2.13 Draperies or curtains shall be installed by each unit owner on all windows of the residence of the unit and shall be maintained in the windows at all times. No blinds, except blinds approved by the association, shall be installed or used without draperies. The color portion of draperies, blinds or curtains visible from the exterior of each residence shall conform to uniform or harmonious color standards specified by the board.

5.2.14 The board reasonably may limit or restrict use of common elements by unit owners, guests or members.

5.2.15 The board may charge reasonable fees for admission to or use of recreation vehicle parking areas, if any, which are not limited common elements.

5.2.16 No person shall construct, reconstruct, erect, maintain or permit any structure, addition or building in or on any unit except within the vertical and horizontal limits of the completed residential structure of the unit existing at the time of sale of the unit from declarant to the first purchaser other than declarant.

ARTICLE 6

PROHIBITION AGAINST SUBDIVISION, EXCLUSIVE OWNERSHIP AND POSSESSION

6.1 No unit may, by deed, plat or otherwise, be

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subdivided, partitioned or in any manner caused to be separated into tracts, parcels, subunits or sublots smaller than, or comprising a fraction less than, the whole lot or unit.

6.2 Except with respect to any of the common elements located within the bounds of a unit, each unit owner shall be entitled to exclusive ownership and possession of his unit.

ARTICLE 7

MEMBERSHIP

Upon acquisition of title to a unit in Hidden Village, each purchaser becomes a member of the association and, until his title is acquired by his transferee, is entitled to the nonseverable use and enjoyment of the common elements. Membership is appurtenant to, and may not be separated from, ownership of a unit.

ARTICLE 8

VOTING RIGHTS

Each unit shall have one vote in all matters subject to vote by members of the association.

ARTICLE 9

ALLOCATION OF COMMON EXPENSES

Common expenses shall be allocated among unit owners in accordance with the percentages stated in Exhibit C.

ARTICLE 10

EASEMENTS

10.1 Subject to all of the provisions of this declaration and the by-laws:

10.1.1 Each conveyance of a unit or lot by declarant or by each person claiming by, through or under declarant is subject to each covenant, condition, restriction and easement declared in or under this instrument whether or not it be expressed in the conveyance;

10.1.2 Each unit owner has a right and easement of

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enjoyment in and to the common elements. The right and easement are appurtenant to the unit. The common elements are subject to an easement in favor of all unit owners for each conduit or conductor of every nature whatsoever which shall, for the benefit of the units, course through the common elements; and

10.1.3 Each unit which contains a part of a multi-family building which occupies two or more units is subject to, and is benefited by, a reciprocal easement for the common element portion, as defined in paragraph 3.2.4, of entrywalk, terrace, sanitary sewer, storm sewer, water service facility, power service facility and telephone service facility for all units which together contain the entire building. These reciprocal easements are further noted in Exhibit D.

10.2 For the benefit of the property, the association may grant over, under, along, on and through any portion of the common elements easements for utility purposes, including the right to install, lay, maintain, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires and equipment, and electrical conduits and wires. Within easements over, under, along, on or through units for installation, laying, maintenance, repair and replacement of utilities and drainage facilities, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with exercise of easement rights or which may damage, interfere with, or change the easements or change the direction or flow of drainage. No dwelling unit or structure of any kind shall be built, erected, or maintained upon any easement for utilities or drainage facilities, and each such easement shall at all times be open and accessible to persons who are public and quasi-public utility corporations and other persons erecting, constructing, or servicing such utilities or quasi-utilities and such drainage facilities. Each such person has the right and privilege to do what may be necessary for the carrying out of the purposes of the easements. The area of the sanitary sewer easement in favor of the City of Portland is depicted in Exhibit D. The area of the easement in favor of Portland General Electric Company is depicted in Exhibit D as "power easement." The association shall provide future permanent access away from Southwest Multnomah Boulevard when such access is required by public authority.

10.3 Except under Section 10.2, the common elements shall not be abandoned, partitioned, subdivided, alienated, released, transferred, sold, hypothecated or otherwise encumbered without approval of all holders of first mortgage liens on units in the project.

10.4 Each unit is subject to a perpetual easement which may be necessary for use of and for access to and installation, maintenance, repair or replacement of common elements located within the bounds of the unit.

10.5 If by reason of construction, reconstruction, repair,

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shifting, settlement or movement of all or any portion of any structure or building on the property any part of the common elements encroaches or shall encroach upon any part of any unit or any building or structure on any unit encroaches or shall encroach upon any part of the common elements or any other unit, a valid easement for the encroachment and for the maintenance of the encroachment is established and shall exist for the benefit of the unit and common elements, as the case may be, so long as the encroachment exists.

10.6 Each wall, foundation, footing, column, pier, post, beam, piling, barrier or divider which is built as part of the original construction of the residence upon each lot and is placed on the dividing line between two lots constitutes a party wall. Each fence or other barrier which is placed on the dividing line between two lots constitutes a party wall. Each unit is subject to an easement in favor of each adjoining unit for party walls. Except as otherwise expressly provided in this declaration, the general rules of law regarding party walls and liability for property damage due to negligence or willful act or omission applies. Cost of repair, maintenance and restoration of each party wall shall be shared by the owners who make use of the wall in proportion to such use. If a party wall is destroyed or damaged by fire or other casualty, either owner who has used the wall may restore it, and, if both owners thereafter make use of the wall, they shall contribute to the cost of restoration in proportion to such use, without prejudice, however, to the right of any such owner to call for a larger contribution from the other owner under any rule of law regarding liability for negligent or willful act or omission. Notwithstanding any other provision of this section, an owner who, by negligent or willful act, causes the party wall to be exposed to weather elements, shall bear the full cost of furnishing necessary protection against such elements. The right of any unit owner to contribution from any other unit owner is appurtenant to the unit of the owner seeking contribution and shall pass to each successor in title. The burden of the duty of contribution by a unit owner runs with the unit from whose owner contribution is sought and becomes an obligation of each successor in title. In any dispute arising from or concerning a party wall, each party shall choose one arbitrator, and the two arbitrators so chosen shall choose a third arbitrator. The decision of two of the three arbitrators shall be final and binding between the disputing parties.

10.7 The association shall regulate the dimensions, materials, colors and other characteristics of all fences and other barriers installed upon a lot or upon a lot line.

10.8 Each unit is subject to a perpetual easement in favor of the association, for the benefit of all other unit owners, for the presence, maintenance, repair, restoration, replacement and use of all or any portion of common elements lying within the lot limits

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of the unit.

10.9 For utility purposes, the property is subject to those easements which are depicted on Exhibit D and are cited in Exhibit E.

ARTICLE 11

MANAGEMENT

11.1 The business, property and affairs of the project shall be managed by the association through its board of directors. The board shall consist of three directors who are unit owners in Hidden Village and shall be elected as provided in the by-laws. The board shall have all powers, duties and responsibilities which are provided by this declaration, by the by-laws or by later amendments or supplemental declarations.

11.2 The board may employ or contract for a managing agent or manager at a compensation to be established by the board so that the managing agent or manager shall be in direct charge of the operation of the property under the supervision of the board. Any management agreement shall be terminable by the association for cause upon 30 days written notice, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods.

11.3 Upon filing of the declaration, the declarant, as developer and owner of the project and of all units, shall appoint an interim board of three directors who are officers or agents of declarant and who shall serve until their successors have been elected by the unit owners at the first organizational meeting of the association. At the first organizational meeting of the association, the unit owners shall elect three directors. The term of office of two of these directors shall be fixed at one year, and the term of office of one of these directors shall be fixed at two years. At the expiration of the initial term of office of each respective director, his successor shall be elected to serve for a term of two years so that the terms of at least one of the directors shall expire annually. Each director shall hold office until his successor has been elected by the unit owners.

11.4 The board shall be responsible for control, operation and management of Hidden Village in accordance with the provisions of this declaration, the by-laws, the articles of incorporation and regulations which the board may adopt from time to time, as provided in this declaration, for administration, management and operation in accordance with all agreements and determinations lawfully made and entered into by the board. The board shall have responsibility and authority to make and to enforce all reasonable rules and

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regulations covering operation and maintenance of the property.

11.5 The board shall have authority to provide facilities in addition to those for which provision has already been made which it deems are in the best interests of unit owners and, subject to any other requirement of law, of this declaration, of the articles of incorporation or of the by-laws, to effect the necessary related amendments of documents.

ARTICLE 12

CHANGE OF OWNERSHIP

12.1 On a change in ownership of a unit and its appurtenant rights, for whatever reason, the board or the manager, under the direction of the board, may require as a condition to recognizing the transferee owner or owners as such, that the transferee owner or owners:

12.1.1 Furnish evidence substantiating new ownership; and

12.1.2 Sign an agreement accepting and agreeing to be bound by the present, and future amendments of, the declaration, by-laws, articles of incorporation and rules and regulations.

12.2 Transfer of a unit automatically transfers membership in the association and all rights of the transferor with respect to the common elements to which the ownership of the unit relates.

ARTICLE 13

ASSESSMENTS; CORRECTIVE ACTION BY ASSOCIATION

13.1 Each unit owner shall pay his unit's proportional share of common expenses. Each unit is subject to mandatory assessment by the owners' association for common expenses. Payment shall be in amounts and at times which the board determines in accordance with this declaration and the by-laws. Assessments shall commence on the first day of the month following close of escrow on the first sale of a unit in the project. There shall be a lien in favor of the association against each unit for nonpayment of each assessment. To claim the benefits of this lien, the association shall record in Multnomah County, Oregon a claim containing a true statement of the account due for the common expenses after deducting all just credits and offsets and the name of the owner of the unit or reputed owner, if known. Where a claim has been filed and recorded pursuant to the immediately preceding sentence and the owner of the unit subject to the claim thereafter fails to pay any assessment chargeable to the unit, so long as the original or any subsequent or unpaid assessment remains

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unpaid, the claim shall automatically accumulate the subsequent unpaid assessments and interest thereon without the necessity of further filings. The claim shall be verified by the oath of some person having knowledge of the facts and shall be filed with and recorded by the recording officer in the book kept for the purpose of recording liens filed under ORS 87.035 or any superseding statute. The proceedings to foreclose liens created by this section shall conform as nearly as possible to the proceedings to foreclose liens created by ORS 87.010, except that notwithstanding ORS 87.055, a lien may be continued in force for a period of time not to exceed six years from the date a claim is filed. For the purpose of determining the date the claim is filed in those cases where subsequent unpaid assessments have accumulated under the claim, the claim regarding each unpaid assessment shall be deemed to have been filed at the time the unpaid assessment became due. The lien may be enforced by the manager acting on behalf of the association of unit owners. No unit or unit owner may escape liability for assessment by reason of nonuse or abandonment of a unit or by reason of nonuse of common elements. An action to recover a money judgment for unpaid common expenses may be maintained without foreclosing or waiving the lien secured for common expenses. In any foreclosure suit against a unit, the plaintiff in the foreclosure shall be entitled to appointment of a receiver to collect the rent. The association, the board or the manager, acting on behalf of the unit owners, shall have power to bid in the lien claim on the unit at the foreclosure sale and to acquire and hold, lease, mortgage and convey the unit.

13.2 The association may abate or correct any act or omission which constitutes a violation of the declaration, articles of incorporation, by-laws or rules or regulations of the association or of the board with respect to the condition of Hidden Village or of any unit within Hidden Village. All expenses incurred by the association under this section shall be a charge and a lien against the unit of the owner who committed the violation or whose tenant, guest, invitee, or licensee committed the violation, and shall be enforceable, in accordance with section 13.1, as an assessment lien for other common expenses.

13.3 Reasonable, actual and necessary costs of maintenance, repair, restoration and replacement of common elements because of fire or other casualty arising from the willful or negligent act or omission of a unit owner or of the family, tenant, guest, invitee, or licensee of a unit owner, shall be added to and become part of the assessment to which the unit is subject and shall be enforceable, in accordance with section 13.1, as an assessment lien for common expenses.

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ARTICLE 14

TAXES

Each unit owner shall pay and discharge all taxes which may be assessed against his unit.

ARTICLE 15

INSURANCE AND INDEMNITY

15.1 The board shall secure and maintain in the name of the association all necessary insurance coverages on the common elements and the activities of the board and of the association.

15.2 Each unit owner at all times shall cause the residence, building or other structure on his unit to be insured with broad form, fire and extended coverage insurance for the full replacement value and shall, upon request, cause the insurance company to furnish the association with a certificate showing the insurance to be in effect. If any unit owner fails to furnish the association with the certificate, the association may, but shall not be obligated to, obtain such insurance with the proceeds payable to the owner, any mortgagee and to the association as their respective interests may appear. The association shall assess the cost of such insurance against the unit owner and the assessment shall become a lien collectible and enforceable in the manner of assessment for common expenses.

15.3 Notwithstanding any other provision of this declaration, the association shall continuously maintain in effect casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for Hidden Village established by the Federal National Mortgage Association and Government National Mortgage Association, so long as either is a mortgagee or owner of a unit within Hidden Village, except to the extent that such coverage is not available or has been waived in writing by Federal National Mortgage Association or Government National Mortgage Association.

15.4 Each unit owner shall be required to indemnify the association, other unit owners or the board against liability, damage or injury arising from acts of the indemnitor, except to the extent to which such liability, damage or injury is covered by any type of insurance.

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ARTICLE 16

PAYMENT OF ASSESSMENTS FOR EXPENSES

16.1 Each unit owner shall pay the board his unit's allocated portion of the cash requirement deemed necessary by the board to manage and to operate the project upon the terms, at the times and in the manner in this declaration provided, without deduction on account of any setoff or claim which the unit owner may have against the board of the association, and if the unit owner fails to pay any installment within one month of the time when the installment becomes due, the unit owner shall pay interest on the installment at the rate of ten (10) percent per annum from the date when the installment becomes due to the date of payment.

16.2 The cash requirements for each year, or portions of the year, are defined as, and shall be deemed to be, the aggregate sum which the board from time to time determines, in its judgment, shall be paid by all unit owners, to enable the association through its board to pay all estimated common expenses and outlays of the association to the close of the year, growing out of or in connection with maintenance and operation of the project, which sum may include, among other things, the cost of management, special assessments, fire, casualty, hazard and public liability insurance premiums related to common elements, common lighting, landscaping, care of grounds, repairs and renovations to common elements, wages, water charges, legal and accounting fees, management fees, expenses and liabilities incurred by the board under or by reason of this declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the project.

16.3 The board shall establish a reserve fund for replacement of common element components, and that fund shall be funded by monthly payments rather than by extraordinary special assessments. In addition the board shall establish for the initial two months of operation of Hidden Village a working capital fund equal to two months' estimated common elements charges for each unit.

16.4 The board may, from time to time up to the close of the year for which the cash requirements have been so fixed or determined, increase or diminish the amounts previously fixed or determined for the year. It may include in the cash requirements for any year any liabilities or items of expense which accrued or became payable in the previous year or which might have been included, but were not included, in the cash requirements for a previous year, and also, any sums which the board deems necessary or prudent to provide a reserve against liabilities or expenses then accrued or later to accrue, although not payable in that year.

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16.5 Charges related only to limited common elements shall be apportioned among the units benefitted by those limited common elements and none other.

16.6 The portion of common expenses payable by the unit owner in and for each year or for a portion of a year shall be a sum within the limits and on the conditions provided, determined by multiplying the aggregate amount of such cash requirements for such year or portion of year by the percentage equal to the unit owners' percentage stated in Exhibit C, and such assessments, together with any additional sums accruing under this declaration, shall be assessed and payable monthly in advance.

16.7 The board shall have discretionary powers to prescribe the manner of maintaining and operating the project and to determine the cash requirements of the board to be paid by the unit owners under this declaration. Every such reasonable determination by the board within the bounds of this declaration shall be final and conclusive as to the unit owners, and any expenditures made by the board within the bounds of this declaration shall, as against each unit owner, be deemed necessary and properly made for that purpose.

16.8 Each monthly assessment and each special assessment shall be a separate, distinct and personal debt and obligation of the person who is the owner of the unit when the assessment is made and shall be collectible as such. Action or suit to recover money judgment or decree for unpaid common expenses shall be maintainable without foreclosing or waiving the liens securing payment. The amount of each assessment, whether regular or special, assessed to the owner, plus interest at ten (10) percent per annum and costs, including reasonable attorney's fees, becomes a lien upon the unit upon recordation of a verified claim in accordance with section 13.1. The lien for nonpayment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

16.8.1 Liens on the unit for tax or assessment by public authority; and

16.8.2 A first mortgage or trust deed of record on the unit, so that the lien for nonpayment of common expenses is subordinate to the lien or equivalent security interest of any first mortgage or trust deed of record on the unit recorded prior to the date on which the verified claim for such common expense assessment is recorded.

16.9 A lien for nonpayment of assessment may be enforced under article 13 or by sale by the board or by a person, firm or corporation authorized by the board. The sale shall be conducted in accordance with law. In any foreclosure or sale the unit owner

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shall be required to pay costs and expenses of such proceedings and the reasonable attorney's fees of the board and of the association, including any reasonable attorney's fees incurred in each appellate court.

ARTICLE 17

PROTECTION OF MORTGAGEES

Notwithstanding any contrary provision of this declaration, it is declared, certified and agreed:

17.1 Each lien created under this declaration upon any unit shall be subject and subordinate to, and shall not affect the rights of, the holder of the indebtedness secured by any recorded first mortgage (meaning a mortgage or a trust deed with first priority over other mortgages) upon the unit made in good faith and for value, but after the foreclosure of any such mortgage there may be a lien created under articles 13 and 16 on the interest of the purchaser at the foreclosure sale to secure all assessments, whether regular or special, assessed to the purchaser as unit owner after the date of the foreclosure sale, which lien, if claimed, shall have the effect and be enforced in the manner provided in this declaration.

17.2 No amendment to this article 17 shall affect rights of the holder of any such mortgage recorded prior to recordation of the amendment who does not join in the execution of the amendment.

17.3 By subordination agreement executed by or with approval of a majority of the board, the benefits of sections 17.1 and 17.2 may be extended to mortgages not otherwise entitled to those benefits.

17.4 Any institutional holder of the first mortgage on a unit in Hidden Village shall, upon request, be entitled to:

17.4.1 Inspect the books and records of Hidden Village during normal business hours;

17.4.2 Receive annual audited financial statements of Hidden Village within 90 days after the end of any fiscal year of Hidden Village; and

17.4.3 Receive written notice of all meetings of the association and be permitted to designate a representative to attend all such meetings.

17.5 In the event of substantial damage to or destruction of any unit or any part of the common elements, the institutional

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holder of any first mortgage on the unit shall be given timely written notice by the association of any such damage or destruction.

17.6 If a unit or portion of a unit or any common element or a portion of any common element is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the institutional holder of any first mortgage on a unit shall be given timely written notice by the association of any such proceeding or proposed acquisition.

17.7 Any holder of a mortgage is entitled to written notification from the board of any default by the mortgagor of a unit in the performance of the mortgagor's obligations under the declaration which is not cured within 30 days.

17.8 Each holder of a first mortgage lien on a unit, or any purchaser at a foreclosure sale, which mortgage lien holder or purchaser comes into possession of a unit by virtue of foreclosure of the mortgage, or by virtue of remedies provided in the mortgage or by deed or assignment in lieu of foreclosure, shall take the unit free of any claims for unpaid assessments and charges against the mortgaged unit which accrue prior to the time the holder or purchaser comes into possession of the unit (except for claims for a share of such assessments or charges resulting from a reallocation of such assessments or charges to all units including the mortgaged unit), and the lien of the association for such prior accrued assessments and charges shall thereupon be extinguished automatically. Extinguishment of the lien shall not affect the personal liability of the unit owner whose default created the lien.

17.9 Prior notice from the association to, and prior written approval of, each institutional holder of a first mortgage lien on units in Hidden Village will be required for:

17.9.1 Abandonment or termination of status of the project as a planned unit development, except for abandonment or termination in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

17.9.2 Any material amendment to this declaration, the by-laws or the articles of incorporation of the association, including, but not limited to, any amendment which would change the percentage of voting rights of the unit owners or the percentage or ratio of allocation or assessment of common expenses among or against unit owners; and

17.9.3 The effectuation of any decision by the association to terminate professional management and to assume self-management of Hidden Village.

17.10 Unless all holders of first mortgage liens on

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individual units have given their prior written approval, neither a unit owner nor the association shall:

17.10.1 Change the prorata interest or obligations of any unit for purposes of levying assessments and charges or change the method of determining obligations, assessments, dues or other charges which may be levied against a unit owner;

17.10.2 Partition or subdivide any unit or common elements of the project;

17.10.3 By act or omission seek to abandon the status of the project as a planned unit development, except in the case of substantial loss to units and common elements of the project;

17.10.4 By act or omission, change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of the common property, party walls or common fences and driveways, or the upkeep of lawns and plantings in the project;

17.10.5 Fail to maintain fire and extended coverage on insurable common elements on a current replacement cost basis in an amount not less than 100% of the insurable value (based on current replacement costs); and

17.10.6 Use hazard insurance proceeds for losses to any common elements for other than the repair, replacement or reconstruction of such common elements.

17.11 The association may enter into a contract for the benefit of all first mortgagees of units in Hidden Village under which contract first mortgagees of units may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any common elements and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the common elements. Under such a contract, first mortgagees making such payments shall be owed immediately reimbursement from the association.

ARTICLE 18

MAINTENANCE, REPAIR, RESTORATION AND REPLACEMENT

18.1 Subject to Section 18.3, each unit owner, at his own expense, shall keep his unit, including the residence on his unit, and its equipment and appurtenances, in good order, condition and repair and in a clean and sanitary condition and shall do all redecorating and painting which may at any time be necessary to

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maintain the good appearance of his unit. Subject to abandonment or termination of the status of the project as a planned unit development, in accordance with this declaration, each unit owner, from insurance proceeds or at his own expense, promptly shall effect maintenance, repair, restoration or replacement, as appropriate, arising from all injury or damage to his unit and to the residence of his unit, or to the property, caused by fire or other casualty or by the act, negligence or carelessness of the unit owner, or any lessee, or any sublessee, or any member of the unit owner's family, or of the family of any lessee or sublessee, of any agent, employee, invitee, guest or visitor of the unit owner or of any agent, employee, invitee, guest or visitor of any lessee or sublessee, and all such maintenance, repair, restoration and replacement shall be of a quality and kind equal to the original work and shall restore the residence and unit to substantially its appearance and condition immediately before the injury or damage. In addition to redecorating and keeping the unit and residence in good repair, the unit owner shall be responsible for maintenance, repair, restoration, and replacement of any plumbing, fixtures, refrigerators, air conditioning and heating equipment, dishwashers, disposers, water heaters, ranges, and other like equipment or appliances that may be in the unit or residence. The association has responsibility for all repairs and maintenance of common elements and limited common elements, including, but not limited to, common element conduits for water, sanitary sewer and storm sewer, except to the extent to which they are maintained by a public authority or by a public utility.

*Admended
Damages
only*

18.2 Subject to approval by vote of a majority of unit owners, the board shall repair or replace all common elements damaged or destroyed by casualty loss.

18.3 Each unit owner shall repair and maintain the exterior surfaces, roofs and gutters of the residence of the unit. The board shall repair and maintain the exterior surfaces, roofs and gutters of buildings within all common elements. In repairing and maintaining the exterior surfaces, roofs and gutters of the residence of each unit and of buildings within common elements each unit owner and the board shall comply with all reasonable requirements of the board with respect to colors, textures, compositions and methods of application and installation.

18.4 The owner of a unit the residence of which suffers injury, damage, or destruction by fire or other casualty may apply to the board for permission to rebuild, restore or reconstruct the residence in a manner which will provide for exterior appearance and design different from what existed before the casualty. Application for permission shall be in writing and shall include a full and complete plan, specifications, working drawings and elevations, and a showing of the proposed rebuilding, restoration or reconstruction. The board shall grant approval if the proposed

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design would not violate the vertical and horizontal limits otherwise prescribed under this declaration and would result in a finished residence in harmony of exterior design with other residences in the project.

13.5 Each unit owner promptly shall replace any broken window within the unit, irrespective of the cause of breaking.

18.6 To promote safety, visibility and aesthetic appeal and to comply with lawful requirements of public authority, the association has the exclusive right to preserve open spaces and to control all landscaping, planting, removal and trimming of outdoor trees, shrubs, lawns and other plants, both within common elements and within outdoor portions of lots.

ARTICLE 19

RIGHT OF ENTRY

19.1 Each unit owner shall cause keys to the unit to be continuously provided to the association or to the manager or other nominee of the association.

19.2 The association, the board and the duly authorized agent of the association or of the board shall have the right to enter any and all residences, units, lots and structures in case of emergency originating in or threatening the entered residence, unit, lot or structure or any other part or premises of Hidden Village whether or not the unit owner or occupant is present at the time. The association, the board and each duly authorized agent of the association or of the board shall have the right to enter into any and all residences, units, lots and structures at all reasonable times as required for the purpose of performing necessary repairs which the unit owner has failed to perform, including, but not limited to, necessary maintenance, repairs or restoration of exterior surfaces, roofs, gutters or common elements, or for the purpose of performing emergency installations, alterations or repairs to mechanical or electrical devices or installations located in or on the unit(s); provided, however, that such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage to other units in the property; and provided, further that the unit owner affected by the entry shall first be notified of the proposed entry, if available and if time permits.

ARTICLE 20

OBLIGATION TO COMPLY WITH DECLARATION AND BY-LAWS

20.1 Each unit owner, tenant or occupant of a unit shall

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comply with the provisions of this declaration, the by-laws, the articles of incorporation and all agreements and determinations lawfully made or entered into by the board or the association when acting in accordance with authority. Any failure of any unit owner, tenant or occupant to comply with any provision of this declaration, the by-laws, the articles of incorporation or any such agreement or determination shall give rise to a cause of action or suit in the Hidden Village Owners' Association and any aggrieved unit owner for recovery of damages or for injunctive relief, or both.

20.2 The provisions of this declaration bind and inure to the benefit of and are enforceable by declarant, the association, each unit owner and the heirs, successors, assigns and legal representatives of each unit owner, and failure by declarant or by the association or any unit owner or the legal representative, heir, successor or assign of any unit owner to enforce any covenant, condition, or easement shall in no event be deemed a waiver of the right to do so.

20.3 On suit, action or other judicial proceeding to foreclose or to enforce any lien or other claim, the prevailing party shall recover from the other party not prevailing a reasonable attorney's fee (for attorney's services in all trial and appellate courts) and costs and expenses of litigation, including, but not limited to, charges for litigation reports or foreclosure reports rendered by title insurance companies.

ARTICLE 21

INDEMNIFICATION OF DIRECTORS

Each member of the board of directors shall be indemnified and held harmless by the association and the unit owners against all costs, expenses and liabilities whatsoever, including, without limitation, attorney's fees reasonably incurred by the director in connection with any proceeding in which the director may become involved by reason of his being or having been a member of the board.

ARTICLE 22

REVERSION BARRED

Nothing in this declaration or in any form of deed which may be used by declarant or declarant's successor or assign in selling a unit shall be deemed to vest or to reserve in declarant or the association any right of reversion or reentry for breach or violation of this declaration.

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ARTICLE 23

SEVERABILITY

Invalidity of any one or more phrases, sentences, clauses, paragraphs, sections or articles of this declaration shall not affect all or part of the remaining portions of this instrument, all of which phrases, sentences, clauses, paragraphs, sections and articles are inserted conditionally on their being held valid in law, and if one or more of the phrases, sentences, clauses, paragraphs, sections or articles should be invalid or should operate to render this declaration invalid, this declaration shall be construed as if the invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, section or sections, article or articles had not been inserted.

ARTICLE 24

GENDER

In this declaration the singular shall be construed to mean the plural, when applicable, and the necessary grammatical changes required in order to make provisions apply equally, either to corporations or individuals, or to men or women, shall be in all cases assumed as though in each case fully expressed.

IN WITNESS WHEREOF the undersigned declarants have set their hands and seals this 5 day of Sept, 1980.

Harold F. Warlick
Harold F. Warlick

Judith A. Warlick
Judith A. Warlick

Robert E. Harrington
Robert E. Harrington

STATE OF OREGON)
County of Washington) ss.

Personally appeared the above named Harold F. Warlick and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me:

Mary Carol Schull
Notary Public for Oregon
My commission expires: 12-20-80

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STATE OF OREGON)
) ss.
County of Washington)

Personally appeared the above named Judith A. Warlick and
acknowledged the foregoing instrument to be her voluntary act and
deed.

Before me:

Mrs. Carl Schmitt
Notary Public for Oregon
My commission expires: 12-31-80

STATE OF OREGON)
) ss.
County of Washington)

Personally appeared the above named Robert E. Harrington
and acknowledged the foregoing instrument to be his voluntary act
and deed.

Before me:

Mrs. Carl Schmitt
Notary Public for Oregon
My commission expires: 12-31-80

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BOOK 1467 PAGE 363

EXHIBIT A

LEGAL DESCRIPTION

Lots 1 through 38, and common area Tract "A",
EXCEPT that portion of common area Tract "A"
deeded to Frank Weigel, Jr. in deed dated
April 22, 1980, recorded April 23, 1980 in Book
1435, page 2237, and corrected by deed recorded
June 19, 1980 in Book 1449, page 102, Deed
Records, HIDDEN VILLAGE TOWNHOUSES, in the County
of Multnomah, City of Portland and State of
Oregon.

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STATE OF OREGON
Multnomah County

Director, Department of Administrative Services and Records of County, in and to which do hereby certify that the within instrument of _____ is recorded in the record of _____ of Multnomah County at _____

1980 SEP -5 AM 10:27

RECORDING SECTION
MULTNOMAH CO., OREGON

In 1967 336

without my hand and seal of office affixed.

Director
Department of Administration

M. J. ...

Deputy

RETURN TO
Frank ...
9221 5th ...
Portland Oregon 97219

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EXHIBIT B Book 1467 Page 365

BY-LAWS

OF

HIDDEN VILLAGE OWNERS' ASSOCIATION

ARTICLE 1

General

1.1 APPLICATION. These by-laws govern the Hidden Village Owners' Association and the administration of the planned unit development known as Hidden Village Townhouses (herein "Hidden Village") located in the County of Multnomah, State of Oregon, and more particularly described in the amended Declaration dated April 5, 1980, recorded in Deed Records, Multnomah County, Oregon, in Book 1467 at Pages 336 to 364.

1.2 DEFINITIONS. The terms used in these by-laws, which are defined in the amended declaration, shall have the meanings given to them by the amended declaration, unless the context in which they are used in the by-laws otherwise requires.

1.3 INCORPORATION. The association is a non-profit corporation organized and existing under and by virtue of the laws of the State of Oregon.

1.4 PRINCIPAL OFFICE. The principal office of the association shall be maintained in Multnomah County, Oregon.

ARTICLE 2

Membership

2.1 MEMBERSHIP. Each person who is a record owner of a fee or undivided fee interest in a unit is a member of the association, except that a person who holds an interest merely as a security for performance of an obligation is not a member. Membership in the association means membership in the corporation for the purposes of the Oregon Non-Profit Corporation Law.

2.2 SUSPENSION OF MEMBERSHIP. During a member's default in payment of any annual or special assessment levied by the association against the unit in which the member owns a fee interest, the member's voting rights and right to use of all or part of general common elements may be suspended by the board. Suspension, if ordered, may be continued until the assessment is paid. Those rights of a member may also be suspended after notice and hearing, for a period not to exceed 30 days for each violation of any rule or regulation established by the board governing use of

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common elements.

ARTICLE 3

Meetings And Voting Rights

3.1 ANNUAL MEETING. The annual meeting of the association shall be held on the second Monday in November of each year at 7:30 o'clock p.m., unless otherwise determined by resolution of the board. The annual meeting shall be for the purpose of electing directors and for the transaction of any other business brought before the meeting. The parliamentary authority for each annual or special meeting shall be "Roberts Rules of Order Newly Revised."

3.2 SPECIAL MEETINGS. A special meeting of the association may be called at any time by the president, by the board of directors or upon request of owners of 30% of the units. At any such special meeting only business which is specifically or generally described in the notice for the meeting shall be transacted.

3.3 NOTICE. Written or printed notice stating the place, day and hour of each annual or special meeting of the association and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than seven (7) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the president, of the secretary, or the persons calling the meeting, to each member entitled to vote at the meeting. If mailed, the notice shall be deemed to be delivered when deposited in the United States Mail, with postage fully prepaid, addressed to the member at the member's most recent address as it appears on the records of the association. Notice of each annual or special meeting shall also be given by posting the notice in at least one conspicuous location within the common elements not fewer than seven (7) nor more than fourteen (14) days before the meeting. No notice of a meeting need be given to any owner who waives the notice in writing or who is present at the meeting, in person or by proxy. Written ratification by an owner of any action taken at a meeting is equivalent to waiver of notice of the meeting by the one so ratifying.

3.4 MAJORITY. As used in these by-laws, "majority" or "majority of the unit owners" means the owners of more than 50% of the units in Hidden Village.

3.5 QUORUM. At any meeting of the unit owners, a majority of the unit owners shall constitute a quorum for any and all purposes except where by express provision a greater vote is required, in which event a quorum shall be the number required for that vote. In the absence of a quorum, the president may adjourn

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the meeting from time to time, without notice other than by announcement at the meeting, until the holders of the amount of interests required to constitute a quorum shall attend. At any adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the original meeting.

3.6 VOTING. Subject to section 2.2, each unit owner shall have one (1) vote for election of directors and on all matters coming before the association. When a quorum is present at any meeting, the vote of the unit owners representing more than 50% of the units in Hidden Village, present in person, or represented by proxy, shall decide any questions of business before the meeting, including election of directors, unless the question is one upon which, by express provision of the amended declaration or the by-laws a different vote is required, in which case the express provision shall govern and control the decision of the question. All votes may be cast either in person or by proxy.

3.7 DESIGNATION OF VOTING OWNER. There shall be one (1) "voting owner" of each unit. The voting owner shall be designated by the record owner or owners of each unit by written notice to the association and need not be a unit owner. If the designation is to a first mortgagee or a trust deed beneficiary of a unit, it may be in the form of an irrevocable proxy. If the designation is otherwise, it shall be in the form of a proxy revocable at any time by actual notice to the association of the death or judicially declared incompetency of any unit owner or by written notice to the association signed by the record owner or owners of any unit. Such powers of designation and revocation may be exercised by the guardian of a record owner's estate or by his conservator, or in the case of a minor having no guardian or conservator, by the parent entitled to his custody, or during the administration of a record owner's estate, by his executor or administrator where the latter's interest in the property is subject to administration in his estate. Where no designation is made and where a designation has been made but is revoked and no new designation has been made, the voting owner of each unit shall be the group composed of all of its record owners. Any or all of such owners may be present at any meeting of the voting owners in person or by proxy. If those present act unanimously, they may vote or take any other action as a voting owner. A vote by a co-owner constitutes a unanimous vote of all members of the group of owners if no member present protests.

3.8 PROXY. Each proxy shall be in writing and, in the case of a proxy for the annual meeting, shall be delivered to the secretary at least five (5) days before the annual meeting. Each proxy for a special meeting shall be delivered to the secretary at least two (2) days before the special meeting. No proxy shall be valid after 11 months from the date of its execution unless otherwise provided in the proxy. Subject to the immediately

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preceding sentence and subject to limitation by the terms of the proxy, a proxy shall be deemed valid until revoked in writing. An executor, administrator, guardian, conservator or trustee may vote, in person or by proxy, at any meeting of the association with respect to any unit owned or held by him in fiduciary capacity, whether or not the unit has been transferred to his name, if he satisfies the secretary of the association that he is the executor, administrator, guardian, conservator or trustee holding the unit in that fiduciary capacity.

3.9 ONE VOTE PER UNIT. No more than one (1) vote shall be cast with respect to any unit.

3.10 PLACE OF MEETINGS. All meetings of the association shall be held at its principal office unless otherwise stated in the call, and all meetings shall be held in the State of Oregon.

ARTICLE 4

Board of Directors

4.1 APPOINTMENT. Upon filing of the amended declaration, declarant, as developer and owner of all units, shall appoint an interim board of three directors who are officers or agents of developer and who shall serve until their successors have been elected by the owners at the first organizational meeting of the association.

4.2 ELECTION. Within one hundred twenty (120) days after the filing of the amended declaration and the adoption of these by-laws the developer, as initial owner of all units, shall call the first meeting of owners to organize the association. At that time the interim board designated by the developer shall resign, and the owners shall elect a new board as provided in these by-laws. At that first organizational meeting of the association the owners shall elect three (3) directors. The term of office of two (2) of these directors shall be fixed at one year and the term of office of one (1) of these directors shall be fixed at two years. At the expiration of the initial term of office of each respective director, his successor shall be elected to serve for a term of two (2) years so that the terms of at least one of the directors shall expire annually. Each director shall hold office until his successor has been elected by the unit owners.

4.3 VACANCIES. Vacancies in the board caused by any reason other than the removal of a director by a vote of the association shall be filled by vote of a majority of remaining directors, even though they may constitute less than a quorum. Each person so elected shall be a director until his successor is elected to fill the unexpired term at the next annual meeting of the association or

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the next special meeting of the association called for that purpose.

4.4 POWERS AND DUTIES. The board shall have all powers and duties necessary for administration of affairs of the association except powers and duties which by law, by the amended declaration or by these by-laws may not be delegated to the board by the owners. The powers and duties to be exercised by the board, directly or indirectly through a manager or managing agent, include, but are not limited to:

4.4.1 Operation, care, upkeep, maintenance and repair of the common elements;

4.4.2 Determination of amounts required for operation, maintenance and other affairs of the association and making of such expenditures;

4.4.3 Collection of common expenses from owners;

4.4.4 Employment and dismissal of personnel necessary for efficient management, maintenance, upkeep and repair of the common elements;

4.4.5 Employment of legal, accounting or other personnel for reasonable compensation to perform services required for proper administration of the association;

4.4.6 Opening, operating and designating signatories for bank accounts on behalf of the association;

4.4.7 Purchasing units of the development at foreclosure or other judicial sales in the name of the association or its designee on behalf of all owners as provided in these by-laws;

4.4.8 Selling, leasing, mortgaging, voting the votes appurtenant to (other than for election of directors), or otherwise dealing with, units acquired by the association or its designee on behalf of all owners;

4.4.9 Obtaining insurance or bonds pursuant to provisions of the amended declaration or these by-laws;

4.4.10 Subject to the next sentence, making additions and improvements to or alteration of the common elements. No such project may be undertaken by the board if the total cost will exceed the amount of \$2,000 unless the unit owners have enacted a resolution authorizing the project by a majority vote;

4.4.11 Enforcement by legal means of the amended declaration, these by-laws and rules and regulations adopted under the amended declaration or under these by-laws;

4.4.12 Performance of any duty or function which, under the amended declaration, is required to be done by the association.

4.5 REMOVAL. Any elected director may be removed, without cause, at a meeting of the association, upon the vote of a majority of the unit owners. The notice of the meeting shall state that the removal is to be considered. A successor director shall be elected at the same meeting for the then unexpired term of the director removed. With respect only to the interim board of directors, any director appointed by the declarant, as developer, may be removed

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from office at any time without cause by the declarant by delivering to the secretary of the association and to the director a written statement that the director is removed from office. Forthwith upon the removal, the declarant shall appoint a successor interim director.

4.6 COMPENSATION. Each director shall serve without compensation.

4.7 REGULAR MEETINGS. A regular meeting of the board shall be held in the first six months of each calendar year and in the second six months of each calendar year at a time to be determined by the board. After such determination of the time of the meeting, no further notice of the regular meeting shall be required. If the day for the regular meeting is a holiday, the meeting, without further notice, shall be held at the same hour on the first day following which is not a holiday.

4.8 SPECIAL MEETINGS. A special meeting of the board shall be held when called by the president or by three directors after not fewer than five (5) days' notice to each director in writing.

4.9 WAIVER OF NOTICE. The transaction of any business at any meeting of the board of directors, however called or noticed, or wherever held, shall be valid as though done at a meeting duly held after regular call and notice if a quorum is present and if either before or after the meeting each director not present signs a written waiver of notice, a consent to the holding of the meeting or any approval of the minutes. The secretary shall file each such waiver, consent or approval with the records of the association, and each such waiver, consent or approval shall be made part of the minutes of the meeting.

4.10 QUORUM. A majority of the directors shall constitute a quorum for the transaction of business, and an affirmative vote of a majority of the board shall be necessary to the validity of any act. No unbudgeted expenditure which over any annual period would exceed \$2,000 shall be made unless approved by an affirmative vote of a majority of the whole board.

4.11 ACTION TAKEN WITHOUT MEETING. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all directors. Any action so approved shall have the same effect as though taken at a meeting of the board.

4.12 RULES AND REGULATIONS. Subject to Article 7, the board by resolution may adopt and establish rules and regulations which the board deems necessary for management, maintenance, operation and control of Hidden Village. The rules and regulations shall have the binding force of, and shall be enforceable as, these

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by-laws. The board from time to time by resolution may alter, amend or repeal the rules and regulations. When a copy of any alteration, amendment or repeal has been furnished to unit owners, the alteration, amendment or repeal takes effect as and shall be a part of the rules and regulations. Unit owners at all times shall obey the rules and regulations and shall see that they are faithfully observed by those persons over whom they have or may exercise control and supervision. The rules and regulations apply to and are expressly binding upon all unit owners and occupants of Hidden Village

ARTICLE 5
Officers

5.1 OFFICE, ELECTION AND APPROVAL. The board shall elect annually at its first meeting after the annual meeting of the association a president, a secretary and a treasurer, all of whom shall be elected by and from the board and each of whom shall serve for the ensuing year and until his successor is elected. The board may appoint, from association members who are not on the board, an assistant treasurer and an assistant secretary and other officers who, in the judgment of the board, are necessary. Any officer shall be subject to removal at any time by affirmative vote of a majority of the board. If the office of any officer becomes vacant for any reason, the board shall elect a successor to fill the unexpired term.

5.2 PRESIDENT. The president shall be the chief executive officer of the association. He shall preside at all meetings of the association and of the board. He shall have all of the general powers and duties which are usually vested in the chief executive officer of any association, including, but not limited to, the power to appoint committees from among the owners from time to time as he, in his discretion, may decide is appropriate to assist in the conduct of the affairs of the association.

5.3 SECRETARY. The secretary shall keep the minute books in which all resolutions duly passed and all other action taken at any meeting by the association and by the board shall be recorded. The secretary shall give notice of all meetings of the association and of special meetings of the board. The secretary shall have the powers and perform the duties customarily assigned to him from time to time by the board.

5.4 TREASURER. The treasurer shall keep all the association's financial records and books of account and have custody of all funds and securities of the association and be responsible for the safekeeping of all monies, notes, bonds and other money instruments belonging to the association. The treasurer shall be bonded and, if directed by a vote of a majority of the

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board, he shall cause an annual audit of the association books to be made by a certified public accountant at the completion of each fiscal year. The treasurer shall prepare an annual budget and an annual balance sheet statement, and the budget and balance sheet statements shall be presented to the membership at its regular annual meeting. The treasurer shall have the powers and perform the duties customarily incidental to his office and other powers and duties assigned to him by the board.

5.5 COMPENSATION. No officer who is a member of the board shall receive compensation from the association for acting as officer unless compensation is authorized by resolution adopted by the owners. The board may fix compensation to be paid to any officer who is not a member of the board.

ARTICLE 6

Committees

The standing committees of the association shall be established by the board.

ARTICLE 7

Rules And Regulations

To assure peaceful and orderly use and enjoyment of the property and particularly of common elements, the association from time to time may adopt, establish, alter, amend or repeal, in whole or in part, rules and regulations governing the conduct of persons in and upon the property and the use of common elements as the association deems necessary or appropriate by a vote of a majority of unit owners, at any meeting, the notice of which states that the adoption, establishment, alteration, amendment or repeal will be considered. A copy of the rules and regulations, upon adoption and establishment, and a copy of each alteration, amendment or repeal, shall be delivered by the secretary promptly to each unit owner and shall be binding on all unit owners and occupants of all units from the date of delivery. Rules and regulations shall not be inconsistent with existing contracts for commercial renting of any unit used for residential purposes only.

ARTICLE 8

Institutional Holder's Rights

8.1 ABANDONMENT OR TERMINATION. Before the status of Hidden Village as a planned unit development can be abandoned or

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terminated by vote of the association, the association shall first obtain the written approval of the institutional holder of the first mortgage or deed of trust then encumbering each unit.

8.2 AMENDMENTS. Before material amendment to the amended declaration, the articles of incorporation or the by-laws of the association, including, but not limited to amendment which would change voting interests or the percentage interests of the unit owners in common elements can be made, the association shall first obtain written approval of the institutional holder of the first mortgage or deed of trust then encumbering each unit.

8.3 TERMINATION OF PROFESSIONAL MANAGEMENT. Before Hidden Village or the association can terminate professional management and assume self-management of Hidden Village, the association shall first obtain written approval of the institutional holder of the first mortgage or deed of trust then encumbering each unit.

ARTICLE 9

Assessments

9.1 EXPENSES AND ASSESSMENTS. Each unit owner shall contribute money for the common expenses of the association in accordance with the percentage of such expenses assigned in the amended declaration for the unit.

9.2 LIENS AND FORECLOSURE. Each assessment and interest on the assessment shall constitute a lien upon the unit assessed and shall be collected as provided in the amended declaration.

9.3 SUPREMACY OF AMENDED DECLARATION. All provisions of this Article 9 are expressly subject to the provisions of the amended declaration for protection and priority of mortgages or other encumbrancers.

Article 10

Miscellaneous

10.1 EXECUTION OF INSTRUMENTS. If a check, draft, note, bond, acceptance, deed, lease, contract or other instrument requires signature by an officer of the association, it shall be signed by the person or persons designated by general or special resolution of the board and, in the absence of any such general or special resolution applicable to any instrument, each such instrument shall be signed by the president.

10.2 PERSONS AFFECTED. All unit owners, tenants of such

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owners, employees of owners or tenants and any other persons who may in any manner use the property shall be subject to the amended declaration and these by-laws and all rules and regulations made under the amended declaration and these by-laws.

10.3 ADOPTION OF INITIAL BY-LAWS. On behalf of all unit owners, declarant adopts these by-laws as the initial by-laws of the association.

10.4 AUTHORIZATION FOR PAYMENT OF VOUCHERS. Notwithstanding any other provision of these by-laws, the treasurer shall be authorized to approve and to pay each voucher submitted to the association for payment in an amount less than \$100.00. Each voucher of the association in the sum of \$100.00 or more shall be approved, prior to payment, by the board or by committee or agent of the board.

ARTICLE 11

Amendment

Subject to accordance with the amended declaration, these by-laws may be amended at any annual or special meeting of the association in the notice of which meeting the proposed amendment is announced. Amendment shall not be effective unless approved by 75% of the unit owners and until a copy of the by-laws as amended or of the amendment, certified by the president and the secretary of the association, is recorded with the recording officer of Multnomah County, Oregon.

ARTICLE 12

Fiscal Year

The fiscal year of the association begins on the first day of January.

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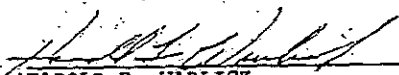
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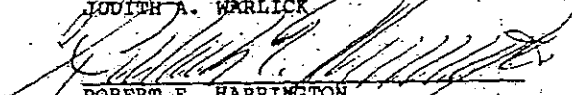
CERTIFICATION

We, Harold F. Warlick, Judith A. Warlick and Robert E. Harrington, certify that these by-laws were duly adopted by the board of directors of the association at a meeting held on the 5 day of Sept, 1980.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 5 day of Sept, 1980.


HAROLD F. WARLICK


JUDITH A. WARLICK


ROBERT E. HARRINGTON

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EXHIBIT C

DOCK 1467 PAGE 376

ALLOCATION OF COMMON EXPENSES

<u>Lot</u>	<u>Percentages</u>
1	2.8967958280
2	2.8967958280
3	2.8967958280
4	2.8967958280
5	2.8967958280
6	2.8967958280
7	2.8967958280
8	2.8967958280
9	2.8967958280
10	2.6080476900
11	2.6080476900
12	2.6080476900
13	2.6080476900
14	2.6080476900
15	2.6080476900
16	2.6080476900
17	2.6080476900
18	2.6080476900
19	2.5009314450
20	2.5009314450
21	2.5009314450
22	2.5009314450
23	2.5009314450
24	2.5009314450
25	2.5009314450
26	2.5009314450
27	2.5009314450
28	2.5009314450
29	2.5009314450
30	2.5009314450
31	2.5009314450
32	2.5009314450
33	2.5009314450
34	2.5009314450
35	2.5009314450
36	2.5009314450
37	2.7198211640
38	2.7198211640
	<u>100.000000000</u>

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EXHIBIT D

EXHIBIT MAP

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EXHIBIT E

EASEMENTS FOR UTILITY PURPOSES

1. Sewer easement dated July 31, 1967 and recorded December 14, 1967 in Book 596, page 336, Deed Records of Multnomah County, Oregon.
2. Sanitary Sewer waiver recorded April 13, 1971 in Book 781, page 1506, Multnomah County Records, Oregon.
3. Agreement recorded July 29, 1971 in Book 803, page 1035, Film Records of Multnomah County, Oregon.
4. Easement dated September 12, 1979 and recorded March 5, 1980 in Book 1424 at page 255, Deed Records in favor of Portland General Electric Co.

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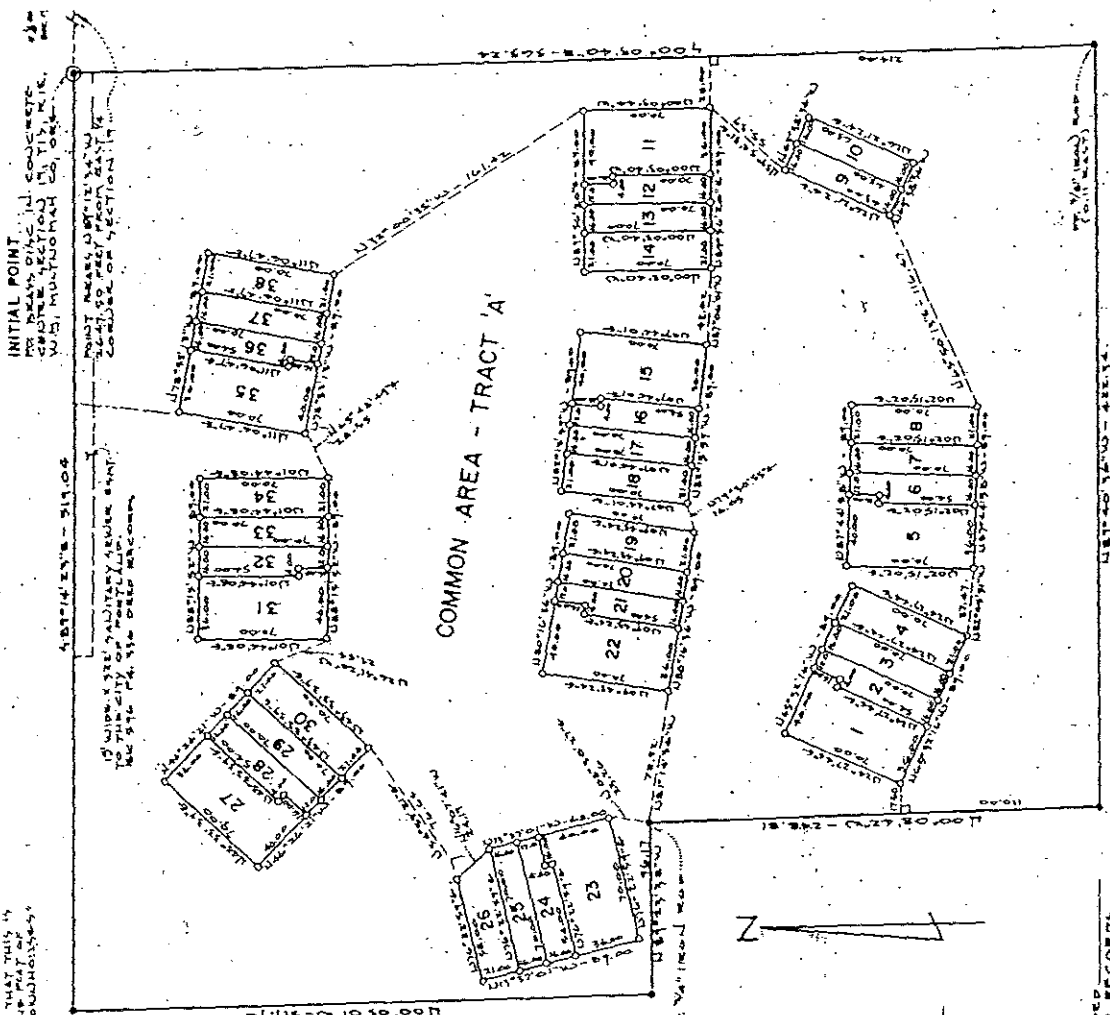
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HIDDEN VILLAGE TOWNHOUSES UNITS 1 TO 38

LOCATED IN THE SW 1/4 OF SECTION 19, T.15S, R.1E.1, W.M.,
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON.
MARCH 1979
SCALE 1" = 50'

WILSEY B. HAM
PORTLAND, OREGON
4-240-0101

SIDE 1 OF 1



INITIAL POINT... CONCRETE...
MULTNOMAH CO., OREGON

MULTNOMAH BOULEVARD (C.R. 12.1471)

THE SKETCH IS MADE SOLELY FOR THE PURPOSE OF ASSISTING IN LOCATING SAID PREMISES AND THE COMPANY ASSUMES NO LIABILITY FOR VARIATIONS, IF ANY, IN DIMENSIONS AND LOCATIONS ASCERTAINED BY ACTUAL SURVEY.

7-2-78 H32-6-1

SURVEYOR'S CERTIFICATE
I, ROBERT TAYLOR, BEING FIRST ONLY SURVIVOR, DEPOSE AND SAY THAT I HAVE CAREFULLY REVISITED THE LAND REPRESENTED BY THIS INSTRUMENT AND THAT I HAVE CORRECTED THE SAME TO THE BEST OF MY KNOWLEDGE AND BELIEF. I HAVE FOUND THAT THE SAID INSTRUMENT IS A TRUE AND CORRECT STATEMENT OF THE FACTS AND THAT THE SAID LAND IS THE SAME AS THAT DESCRIBED IN SAID INSTRUMENT. I HAVE FOUND THAT THE SAID INSTRUMENT IS A TRUE AND CORRECT STATEMENT OF THE FACTS AND THAT THE SAID LAND IS THE SAME AS THAT DESCRIBED IN SAID INSTRUMENT. I HAVE FOUND THAT THE SAID INSTRUMENT IS A TRUE AND CORRECT STATEMENT OF THE FACTS AND THAT THE SAID LAND IS THE SAME AS THAT DESCRIBED IN SAID INSTRUMENT.

REGISTERED PROFESSIONAL LAND SURVEYOR
OREGON
G. ROBERT TAYLOR
#37

DEDICATION
I, ROBERT TAYLOR, BEING FIRST ONLY SURVIVOR, DEPOSE AND SAY THAT I HAVE CAREFULLY REVISITED THE LAND REPRESENTED BY THIS INSTRUMENT AND THAT I HAVE CORRECTED THE SAME TO THE BEST OF MY KNOWLEDGE AND BELIEF. I HAVE FOUND THAT THE SAID INSTRUMENT IS A TRUE AND CORRECT STATEMENT OF THE FACTS AND THAT THE SAID LAND IS THE SAME AS THAT DESCRIBED IN SAID INSTRUMENT. I HAVE FOUND THAT THE SAID INSTRUMENT IS A TRUE AND CORRECT STATEMENT OF THE FACTS AND THAT THE SAID LAND IS THE SAME AS THAT DESCRIBED IN SAID INSTRUMENT. I HAVE FOUND THAT THE SAID INSTRUMENT IS A TRUE AND CORRECT STATEMENT OF THE FACTS AND THAT THE SAID LAND IS THE SAME AS THAT DESCRIBED IN SAID INSTRUMENT.

ACKNOWLEDGEMENT
STATE OF OREGON
COUNTY OF MULTNOMAH
BE IT REMEMBERED THAT ON THIS 13th DAY OF JULY 1979, BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID STATE AND COUNTY, PERSONALLY APPEARED HAROLD W. WARKICK, JUDITH A. WARKICK AND ROBERT E. HARRINGTON, TO ME PERSONALLY KNOWN WHO BEING DULY SWORN, DID SAY THAT HE HAROLD W. WARKICK AND JUDITH A. WARKICK ARE THE IDENTICAL PERSONS WHO WERE PARTIES TO SAID INSTRUMENT, AND SAID ROBERT E. HARRINGTON IS THE IDENTICAL PERSON WHO WAS PARTIAL TO SAID INSTRUMENT, AND SAID INSTRUMENT TO BE A TRUE AND CORRECT STATEMENT OF THE FACTS AND THAT THE SAID LAND IS THE SAME AS THAT DESCRIBED IN SAID INSTRUMENT.

APPROVALS
I, ROBERT TAYLOR, BEING FIRST ONLY SURVIVOR, DEPOSE AND SAY THAT I HAVE CAREFULLY REVISITED THE LAND REPRESENTED BY THIS INSTRUMENT AND THAT I HAVE CORRECTED THE SAME TO THE BEST OF MY KNOWLEDGE AND BELIEF. I HAVE FOUND THAT THE SAID INSTRUMENT IS A TRUE AND CORRECT STATEMENT OF THE FACTS AND THAT THE SAID LAND IS THE SAME AS THAT DESCRIBED IN SAID INSTRUMENT. I HAVE FOUND THAT THE SAID INSTRUMENT IS A TRUE AND CORRECT STATEMENT OF THE FACTS AND THAT THE SAID LAND IS THE SAME AS THAT DESCRIBED IN SAID INSTRUMENT. I HAVE FOUND THAT THE SAID INSTRUMENT IS A TRUE AND CORRECT STATEMENT OF THE FACTS AND THAT THE SAID LAND IS THE SAME AS THAT DESCRIBED IN SAID INSTRUMENT.

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LEGEND
• BOUNDARY POINTS 1/8" USED TO BE IN POSITION.
• BOUNDARY POINTS 1/8" USED TO BE IN POSITION.

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STATE OF OREGON
Multnomah County

County Recorder
The County Recorder of Multnomah County, Oregon, is authorized to receive and record all instruments which are required to be recorded by law, and to issue certificates of recording thereon.

1980 SEP -5 AM 10:27

RECORDING SECTION
MULTNOMAH CO. OREGON

1167 325

M. B. Smith

RETURN TO
Frank Mulliken
9721 S.W. Barken Blvd,
Portland Oregon 97219

50 LL

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SEP 05 1980

After recording return to:
Andrew D. Hahs
Bilmer Barker & Hahs, P.C.
One S.W. Columbia St., Suite 1800
Portland, OR 97258

Recorded in the County of Multnomah, Oregon
C. Suick, Deputy Clerk

48.00

97117918 10:04am 08/05/97

013 288882 84 83 688281
089 9 8.00 45.00 0.00 3.00 0.00

HIDDEN VILLAGE TOWNHOUSES
RESTATED FIRST AMENDMENT
TO
AMENDED DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS,
AND EASEMENTS FOR HIDDEN VILLAGE TOWNHOUSES

The First Amendment to Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Village Townhouses made in Multnomah County, Oregon the 13th day of June, 1997, and recorded June 20, 1997, as instrument number 97-092-087, Multnomah County Deed Records, is hereby rescinded and amended in its entirety to read as follows:

This First Amendment to Amended Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Village Townhouses ("Amendment"), is entered into this ____ day of July, 1997, by Arques Limited Investors, a California limited partnership ("Arques"), and Thompson Park Limited Investors, a California limited partnership ("Thompson").

Recitals

A. On or about June 26, 1985, Arques purchased that certain real property, together with the improvements thereon, located in Multnomah County, Oregon, and more particularly described as follows:

Lots 1 through 38, and common areas tract "A," EXCEPT that portion of common area tract "A" deeded to Frank Weigel, Jr., in deed dated April 22, 1980, recorded April 23, 1980, in Book 1435, Page 2237, and corrected by deed recorded June 19, 1980, in Book 1449, Page 102, Deed Records, HIDDEN VILLAGE TOWNHOUSES, in the County of Multnomah, City of Portland, and State of Oregon (the "Property").

On or about June 13, 1997, Arques conveyed half of the above described lots and an undivided one-half interest in the common areas tract "A" to Thompson. Arques and Thompson are hereinafter collectively referred to as "Owner."

TRANSACTION
TITLE INSURANCE
MIDWEST DS

B. The Property was developed as a Planned Unit Development as set forth in the Proposed Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Village recorded September 17, 1979, in Book 1383, Page 317, Deed Records, Multnomah County, Oregon, and as amended and superseded by Amended Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Village recorded September 5, 1980, in Book 1467, Page 337, Deed Records, Multnomah County, Oregon ("Amended Declaration").

C. On or about February 20, 1980, the Hidden Village Owners' Association was incorporated as a non-profit corporation in the state of Oregon. Said corporation was dissolved on October 27, 1982, prior to Arques' purchase of the Property. On or about November 26, 1991, Arques caused to be filed new Articles of Incorporation for Hidden Village Owners' Association, as an Oregon non-profit corporation. All references herein and as described in the Amended Declaration to the "Association," "Articles of Incorporation" or "Board of Directors" shall be to the just-described non-profit corporation.

D. Subsequent to the filing of the Amended Declaration in 1980, the state of Oregon enacted the Oregon Planned Community Act as ORS 94.550, *et seq.*

E. Owner now desires to submit the Property to the Oregon Planned Community Act and to amend certain provisions of the Amended Declaration at this time.

NOW, THEREFORE, Owner declares that the above-described Property shall be organized according to the planned community form of ownership and pursuant to ORS 94.550, the Oregon Planned Community Act.

NOW, THEREFORE, Owner declares that the Proposed Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Village recorded September 17, 1979, in Book 1383, Page 317, Deed Records, Multnomah County, Oregon, are hereby rescinded in their entirety and of no further force or effect.

NOW, THEREFORE, for the purposes set forth herein, Owner hereby amends the Amended Declaration as follows:

1. Section 2.5.3 is hereby amended in its entirety to read as follows:

2.5.3 The cost of all utilities provided to the project that are not separately metered to individual units.

2. Section 2.6 is hereby amended in its entirety to read as follows:

2.6 "Declarant" means Arques Limited Investors, a California limited partnership, Thompson Park Limited Investors, a California limited partnership, and successors of either limited partnership defined as follows: any person (other than a homeowners association) to whom a

Declarant has transferred, for the purpose of resale, all of the Declarant's ownership interest in the project.

3. Section 3.5 is hereby added to read as follows:

3.5 The Declarant does not contemplate building any improvement not already constructed as of the date of this Amendment; however, Declarant does not choose to limit its rights to add improvements at a later time and does hereby reserve that right.

4. Section 4.3.3 is hereby amended in its entirety to read as follows:

4.3.3 This Declaration may be amended from time to time by the Association by vote of the Owners representing 75 percent of the total votes in the project. However, in no event shall an amendment under this section create, limit or diminish any special Declarant rights, increase the number of lots or units, or change the boundaries of any lot or any uses to which any lot or unit is restricted, unless the owners of the affected lots unanimously consent to the amendment.

5. The first two sentences of Section 5.2.1 is hereby amended in its entirety to read as follows:

Except as otherwise provided herein, no part of the property shall be used for other than residential housing and related common purposes for which the property is designated. Each unit shall be used and occupied exclusively as a private residence and for no other purpose, except as otherwise provided herein.

6. Section 5.2.1.1.1 is hereby amended in its entirety to read as follows:

Notwithstanding anything contained herein to the contrary, subject to compliance with applicable laws and any rules or regulations of the association, an owner may operate a business in his home so long as such use does not unreasonably interfere with or disturb the quiet enjoyment of other occupants of the property.

7. Article 9 is hereby amended in its entirety to read as follows:

Article 9
Allocation of Common Expenses

Common expenses and profits shall be allocated among unit owners in accordance with the percentages in Exhibit C; provided, however, that a unit owner whose unit is separately metered for and directly billed by the provider of water service shall not be assessed for that portion of the common expenses attributable to water service provided to all other units

that are not separately metered, said unit owner's share of such common expense being divided among and assessed against all other unit owners that are not separately metered for water service in proportion to their percentage share of the common expenses. Notwithstanding the foregoing to the contrary, each unit owner shall be responsible for his or her proportional share of the cost of water service provided to the common elements. By affirmative vote of a majority of the unit owners, the association, insofar as it has the ability to do so, shall cause each unit that is not separately metered for water service to be separately metered for such water service, the cost of which will be a common expense borne by all units not already separately metered for water service. Subject to the association's prior written approval, individual unit owners may, at their sole cost and expense, seek to have their unit separately metered for water service.

8. Section 10.6.1 is hereby added to read as follows:

10.6.1 As of the date of this Amendment, the second story of some units contain an unfinished balcony. Each unit owner whose unit contains an unfinished balcony may complete the unfinished balcony on his or her unit after receipt of written approval from the association. Any contemplated construction under this section shall be performed at the unit owner's sole cost and expense and shall be subject to regulations in accordance with Section 10.7.

9. Section 10.7 is hereby amended in its entirety to read as follows:

10.7 It shall be the duty of the association to regulate the design, dimensions, materials, appearance, location, maintenance and other characteristics of all exterior improvements installed upon a lot, including but not limited to fences and other barriers and balconies.

10. Section 11.3 is hereby amended in its entirety to read as follows:

11.3.1 Declarant Control. The Declarant shall assume full administrative control through an appointed interim board of directors, which directors shall serve until their successors have been elected at the turnover meeting provided below.

11.3.2 Transitional Advisory Committee. The Declarant shall form a transitional advisory committee to provide for the transition of administrative control of the Association from the Declarant to the lot owners. Not later than the sixtieth day after the Declarant has conveyed Lots representing fifty percent (50%) of all votes in Hidden Village, the Declarant shall call a meeting of Owners for the purpose of selecting a

transitional advisory committee. The committee shall consist of three (3) members, two of whom shall be elected by a majority vote of the Owners (other than Declarant), and one of whom shall be elected by Declarant. The committee shall have reasonable access to such information and documents as the Declarant is required by law to make available. If the Declarant fails to call the meeting required under this section, any Owner may do so. The committee shall have no power with respect to the management and operation of the association. Its only purpose is to observe and learn the administrative operation of the association.

11.3.3 Turnover Meeting. The Declarant shall call a meeting for the purpose of turning over administrative control of the Association from the Declarant to the Owners within one hundred twenty (120) days after the date on which Lots representing seventy five percent (75%) of the total number of votes have been conveyed to persons other than the Declarant. At the meeting, the Declarant shall deliver to the Owners all items it is required by law to deliver, and the Owners shall elect a board of directors in accordance with the bylaws. The Declarant shall give notice of the meeting to each Owner as provided by law. If Declarant does not call the meeting required under this Section, any Owner may do so.

11. Section 15.3.1 is hereby added to read as follows:

15.3.1 Condemnation, Destruction or Liquidation of Project. The association shall represent the unit owners in all proceedings, negotiations, settlements, and agreements in connection with condemnation, destruction, or liquidation of all or a part of the project or from termination of the project. All proceeds from such proceedings shall be payable to the association for the benefit of the owners. Any losses, awards, or proceeds from such proceedings shall be allocated to the owners according to the requirements established by the Federal National Mortgage Association.

12. The following is hereby added to the end of the paragraph contained in Section 16.1:

Notwithstanding anything contained herein to the contrary, any unit owner using extraordinary quantities of utility services that are not separately metered shall be liable for the cost of such services in excess of normal use as determined by an engineer or other qualified professional appointed by the board of directors.

13. Article 16.3 is amended in its entirety to read as follows:

16.3 The Board shall establish a reserve fund for replacement of common element components, and that fund shall be funded by monthly payments

rather than by extraordinary special assessments. In addition, the Board shall establish for the initial two months of operation of Hidden Village a working capital fund equal to two months' estimated common elements charges for each unit. The portion of the common expense collected from each unit owner shall be placed in an account separate from the general operating account of the Association in accordance with ORS 94.595. This separate account is to be used as a reserve account for major maintenance and replacement of those common elements all or part of which would normally require replacement in more than three (3) or less than thirty (30) years from the time the budget is determined by the Board. Following the second year after the turnover meeting, future assessments for the reserve account may be reduced, eliminated or increased by an affirmative vote of not less than 75 percent of the unit owners. This assessment shall accrue from the time of the conveyance of the first unit to an owner other than the Declarant. The Declarant, however, may elect to defer payment of the accrued reserve portion of the common assessment until conveyance to a purchaser. The reserve account shall be used only for the purposes outlined in this article; provided, however, that after the turnover meeting, the Board may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet other temporary expenses which will later be paid from special assessments or maintenance fees. The reserve account may be invested by the Board subject to normal prudent investment standards. Assessments paid into the reserve account shall be the property of the Association, and are not refundable to sellers of units. Sellers of units may treat their outstanding share of the reserve account as a separate item in any agreement for the sale of their units.

14. Section 17.7.1 is hereby added to read as follows:

17.7 Any institutional holder of the first mortgage on a unit in Hidden Village shall be given timely written notice by the association of any 60-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.

15. Section 17.12 is hereby added to read as follows:

17.12 Any institutional holder of the first mortgage on a unit in Hidden Village shall be given timely written notice by the board of a lapse, cancellation, or material modification of any insurance policy maintained by the association.

16. The first sentence of Section 18.1 is hereby amended to read as follows:

Each unit owner, at his own expense, shall perform all maintenance, repair and replacement of the interior of such owner's unit, shall perform all

maintenance, planting, pruning, mowing and cleaning of all lawns and landscaping on such owner's lot within areas enclosed by a fence or courtyard, and shall otherwise do all thing necessary to keep his unit including its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition.

17. The last sentence of Section 18.1 is hereby amended to read as follows:

Subject to Section 18.3, the association has responsibility for all repairs and maintenance of common elements and limited common elements, including, but not limited to, common element conduits for water, sanitary sewer and storm sewer, except to the extent to which they are maintained by a public authority or by a public utility.

18. Section 18.3 is hereby amended in its entirety to read as follows:

18.3 Except as otherwise provided herein, the association shall perform all maintenance, repair, and replacement of the exterior of units on lots and all buildings and structures in the common elements, excluding, with respect to units on lots, doors and door frames, windows and window frames, and skylights and skylight frames (if any) and, with respect to units on lots and garages in the limited common elements, any exterior maintenance, repair, or replacement which is isolated to one unit of the building in which the unit is situated or garage, but including, without limitation, the following: painting or staining of siding, rain gutters, roofs and chimneys. Any exterior maintenance, repair, or replacement for which the association is not responsible shall be performed by the owner whose unit or garage needs such maintenance, repair, or replacement. The association shall perform all maintenance, planting, pruning, mowing and cleaning of all lawns and landscaping on the Property, including, without limitation, all landscaping and lawns on owners' lots, excluding only so much of the same as is completely enclosed by a fence or courtyard on owners' lots. In addition, the board shall repair and maintain the exterior surfaces, roofs and gutters of buildings within all common elements. The cost of all functions performed by the association under this Section 18.3 shall be a common expense payable by the unit owners in accordance with the provisions of this declaration and the bylaws. In performing any repair, maintenance, restoration or replacement obligations provided for herein, each unit owner and the board shall comply with all reasonable requirements of the board with respect to colors, materials, textures, compositions and methods of application and installation.

19. Article 18A is hereby added as follows:

Article 18A
Condemnation of Common Elements

In the event all or any portion of the common elements is appropriated as the result of condemnation or threat or imminence thereof, the following rules and guidelines shall apply:

18A.1 **Representation by Association.** The board of directors shall have the sole authority, right and duty to represent each of the owners for the purpose of negotiating and contesting, if it deems so doing to be necessary or appropriate, any condemnation award offered by the condemning authority in question and may authorize expenditures and assessments to retain adequate counsel or other experts for such purposes.

18A.2 **Allocation of Condemnation Award.** The board of directors shall allocate and distribute any condemnation award received by it with respect to the common elements to the owners in proportion to the diminution in fair market value incurred by them with respect to their respective lots and improvements as a result of said condemnation.

18A.3 **Retention of Rights.** No provision of this Article shall be construed as negating the right of the individual owners to such incidental relief as the law may provide as a result of the condemnation of the common elements.

20. Article 25 is hereby added as follows:

Article 25
Bylaws

Although the bylaws of the Association were attached as an exhibit to the Declaration, amendments to the Declaration can be made from time to time without amending or attaching the bylaws to the same. Likewise, amendment to the bylaws may be made from time to time, as set forth therein, without further amendment to the Declaration.

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Certification

Arques and Thompson, by and through their authorized representative, Peter Chinloy, certify that this First Amendment to Amended Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Village Townhouses, a planned unit development, City of Portland, Multnomah County, Oregon, was voted upon and unanimously passed at a meeting held on the 30th day of JULY, 1997.

DATED this 31st day of JULY, 1997.

ARQUES LIMITED INVESTORS, a
California limited partnership, by PACIFIC
WESTERN MORTGAGE &
INVESTMENT COMPANY, General
Partner

THOMPSON PARK LIMITED
INVESTORS, a California limited
partnership, by PACIFIC WESTERN
MORTGAGE & INVESTMENT
COMPANY, General Partner

By Peter Chinloy
Peter Chinloy, President

By Peter Chinloy
Peter Chinloy, President

STATE OF VIRGINIA)
County of FAIRFAX) ss.

This instrument was acknowledged before me this 31st day of JULY, 1997, by Peter Chinloy as President of Pacific Western Mortgage & Investment Company, the General Partner of Arques Limited Investors, a California limited partnership, and Thompson Park Limited Investors, a California limited partnership.

Judith W. Linn
Notary Public
My Commission Expires 02-30-2000

After recording return to:
Andrew D. Hahs
Bittner Barker & Hahs, P.C.
One S.W. Columbia St., Suite 1800
Portland, OR 97258

Recorded in the County of Multnomah, Oregon
C. Swick, Deputy Clerk



48.00

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089 9 0.00 45.00 0.00 3.00 0.00

HIDDEN VILLAGE TOWNHOUSES
RESTATED FIRST AMENDMENT
TO
AMENDED DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS,
AND EASEMENTS FOR HIDDEN VILLAGE TOWNHOUSES

The First Amendment to Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Village Townhouses made in Multnomah County, Oregon the 13th day of June, 1997, and recorded June 20, 1997, as instrument number 97-092-087, Multnomah County Deed Records, is hereby rescinded and amended in its entirety to read as follows:

This First Amendment to Amended Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Village Townhouses ("Amendment"), is entered into this ____ day of July, 1997, by Arques Limited Investors, a California limited partnership ("Arques"), and Thompson Park Limited Investors, a California limited partnership ("Thompson").

Recitals

A. On or about June 26, 1985, Arques purchased that certain real property, together with the improvements thereon, located in Multnomah County, Oregon, and more particularly described as follows:

Lots 1 through 38, and common areas tract "A," EXCEPT that portion of common area tract "A" deeded to Frank Weigel, Jr., in deed dated April 22, 1980, recorded April 23, 1980, in Book 1435, Page 2237, and corrected by deed recorded June 19, 1980, in Book 1449, Page 102, Deed Records, HIDDEN VILLAGE TOWNHOUSES, in the County of Multnomah, City of Portland, and State of Oregon (the "Property").

On or about June 13, 1997, Arques conveyed half of the above described lots and an undivided one-half interest in the common areas tract "A" to Thompson. Arques and Thompson are hereinafter collectively referred to as "Owner."

TRANSACTION
TITLE INSURANCE
MORTGAGE
Dg

B. The Property was developed as a Planned Unit Development as set forth in the Proposed Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Village recorded September 17, 1979, in Book 1383, Page 317, Deed Records, Multnomah County, Oregon, and as amended and superseded by Amended Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Village recorded September 5, 1980, in Book 1467, Page 337, Deed Records, Multnomah County, Oregon ("Amended Declaration").

C. On or about February 20, 1980, the Hidden Village Owners' Association was incorporated as a non-profit corporation in the state of Oregon. Said corporation was dissolved on October 27, 1982, prior to Arques' purchase of the Property. On or about November 26, 1991, Arques caused to be filed new Articles of Incorporation for Hidden Village Owners' Association, as an Oregon non-profit corporation. All references herein and as described in the Amended Declaration to the "Association," "Articles of Incorporation" or "Board of Directors" shall be to the just-described non-profit corporation.

D. Subsequent to the filing of the Amended Declaration in 1980, the state of Oregon enacted the Oregon Planned Community Act as ORS 94.550, *et seq.*

E. Owner now desires to submit the Property to the Oregon Planned Community Act and to amend certain provisions of the Amended Declaration at this time.

NOW, THEREFORE, Owner declares that the above-described Property shall be organized according to the planned community form of ownership and pursuant to ORS 94.550, the Oregon Planned Community Act.

NOW, THEREFORE, Owner declares that the Proposed Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Village recorded September 17, 1979, in Book 1383, Page 317, Deed Records, Multnomah County, Oregon, are hereby rescinded in their entirety and of no further force or effect.

NOW, THEREFORE, for the purposes set forth herein, Owner hereby amends the Amended Declaration as follows:

1. Section 2.5.3 is hereby amended in its entirety to read as follows:

2.5.3 The cost of all utilities provided to the project that are not separately metered to individual units.

2. Section 2.6 is hereby amended in its entirety to read as follows:

2.6 "Declarant" means Arques Limited Investors, a California limited partnership, Thompson Park Limited Investors, a California limited partnership, and successors of either limited partnership defined as follows: any person (other than a homeowners association) to whom a

Declarant has transferred, for the purpose of resale, all of the Declarant's ownership interest in the project.

3. Section 3.5 is hereby added to read as follows:

3.5 The Declarant does not contemplate building any improvement not already constructed as of the date of this Amendment; however, Declarant does not choose to limit its rights to add improvements at a later time and does hereby reserve that right.

4. Section 4.3.3 is hereby amended in its entirety to read as follows:

4.3.3 This Declaration may be amended from time to time by the Association by vote of the Owners representing 75 percent of the total votes in the project. However, in no event shall an amendment under this section create, limit or diminish any special Declarant rights, increase the number of lots or units, or change the boundaries of any lot or any uses to which any lot or unit is restricted, unless the owners of the affected lots unanimously consent to the amendment.

5. The first two sentences of Section 5.2.1 is hereby amended in its entirety to read as follows:

Except as otherwise provided herein, no part of the property shall be used for other than residential housing and related common purposes for which the property is designated. Each unit shall be used and occupied exclusively as a private residence and for no other purpose, except as otherwise provided herein.

6. Section 5.2.11.1 is hereby amended in its entirety to read as follows:

Notwithstanding anything contained herein to the contrary, subject to compliance with applicable laws and any rules or regulations of the association, an owner may operate a business in his home so long as such use does not unreasonably interfere with or disturb the quiet enjoyment of other occupants of the property.

7. Article 9 is hereby amended in its entirety to read as follows:

Article 9
Allocation of Common Expenses

Common expenses and profits shall be allocated among unit owners in accordance with the percentages in Exhibit C; provided, however, that a unit owner whose unit is separately metered for and directly billed by the provider of water service shall not be assessed for that portion of the common expenses attributable to water service provided to all other units

that are not separately metered, said unit owner's share of such common expense being divided among and assessed against all other unit owners that are not separately metered for water service in proportion to their percentage share of the common expenses. Notwithstanding the foregoing to the contrary, each unit owner shall be responsible for his or her proportional share of the cost of water service provided to the common elements. By affirmative vote of a majority of the unit owners, the association, insofar as it has the ability to do so, shall cause each unit that is not separately metered for water service to be separately metered for such water service, the cost of which will be a common expense borne by all units not already separately metered for water service. Subject to the association's prior written approval, individual unit owners may, at their sole cost and expense, seek to have their unit separately metered for water service.

8. Section 10.6.1 is hereby added to read as follows:

10.6.1 As of the date of this Amendment, the second story of some units contain an unfinished balcony. Each unit owner whose unit contains an unfinished balcony may complete the unfinished balcony on his or her unit after receipt of written approval from the association. Any contemplated construction under this section shall be performed at the unit owner's sole cost and expense and shall be subject to regulations in accordance with Section 10.7.

9. Section 10.7 is hereby amended in its entirety to read as follows:

10.7 It shall be the duty of the association to regulate the design, dimensions, materials, appearance, location, maintenance and other characteristics of all exterior improvements installed upon a lot, including but not limited to fences and other barriers and balconies.

10. Section 11.3 is hereby amended in its entirety to read as follows:

11.3.1 Declarant Control. The Declarant shall assume full administrative control through an appointed interim board of directors, which directors shall serve until their successors have been elected at the turnover meeting provided below.

11.3.2 Transitional Advisory Committee. The Declarant shall form a transitional advisory committee to provide for the transition of administrative control of the Association from the Declarant to the lot owners. Not later than the sixtieth day after the Declarant has conveyed Lots representing fifty percent (50%) of all votes in Hidden Village, the Declarant shall call a meeting of Owners for the purpose of selecting a

transitional advisory committee. The committee shall consist of three (3) members, two of whom shall be elected by a majority vote of the Owners (other than Declarant), and one of whom shall be elected by Declarant. The committee shall have reasonable access to such information and documents as the Declarant is required by law to make available. If the Declarant fails to call the meeting required under this section, any Owner may do so. The committee shall have no power with respect to the management and operation of the association. Its only purpose is to observe and learn the administrative operation of the association.

11.3.3 Turnover Meeting. The Declarant shall call a meeting for the purpose of turning over administrative control of the Association from the Declarant to the Owners within one hundred twenty (120) days after the date on which Lots representing seventy five percent (75%) of the total number of votes have been conveyed to persons other than the Declarant. At the meeting, the Declarant shall deliver to the Owners all items it is required by law to deliver, and the Owners shall elect a board of directors in accordance with the bylaws. The Declarant shall give notice of the meeting to each Owner as provided by law. If Declarant does not call the meeting required under this Section, any Owner may do so.

11. Section 15.3.1 is hereby added to read as follows:

15.3.1 Condemnation, Destruction or Liquidation of Project. The association shall represent the unit owners in all proceedings, negotiations, settlements, and agreements in connection with condemnation, destruction, or liquidation of all or a part of the project or from termination of the project. All proceeds from such proceedings shall be payable to the association for the benefit of the owners. Any losses, awards, or proceeds from such proceedings shall be allocated to the owners according to the requirements established by the Federal National Mortgage Association.

12. The following is hereby added to the end of the paragraph contained in Section 16.1:

Notwithstanding anything contained herein to the contrary, any unit owner using extraordinary quantities of utility services that are not separately metered shall be liable for the cost of such services in excess of normal use as determined by an engineer or other qualified professional appointed by the board of directors.

13. Article 16.3 is amended in its entirety to read as follows:

16.3 The Board shall establish a reserve fund for replacement of common element components, and that fund shall be funded by monthly payments

rather than by extraordinary special assessments. In addition, the Board shall establish for the initial two months of operation of Hidden Village a working capital fund equal to two months' estimated common elements charges for each unit. The portion of the common expense collected from each unit owner shall be placed in an account separate from the general operating account of the Association in accordance with ORS 94.595. This separate account is to be used as a reserve account for major maintenance and replacement of those common elements all or part of which would normally require replacement in more than three (3) or less than thirty (30) years from the time the budget is determined by the Board. Following the second year after the turnover meeting, future assessments for the reserve account may be reduced, eliminated or increased by an affirmative vote of not less than 75 percent of the unit owners. This assessment shall accrue from the time of the conveyance of the first unit to an owner other than the Declarant. The Declarant, however, may elect to defer payment of the accrued reserve portion of the common assessment until conveyance to a purchaser. The reserve account shall be used only for the purposes outlined in this article; provided, however, that after the turnover meeting, the Board may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet other temporary expenses which will later be paid from special assessments or maintenance fees. The reserve account may be invested by the Board subject to normal prudent investment standards. Assessments paid into the reserve account shall be the property of the Association, and are not refundable to sellers of units. Sellers of units may treat their outstanding share of the reserve account as a separate item in any agreement for the sale of their units.

14. Section 17.7.1 is hereby added to read as follows:

17.7 Any institutional holder of the first mortgage on a unit in Hidden Village shall be given timely written notice by the association of any 60-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.

15. Section 17.12 is hereby added to read as follows:

17.12 Any institutional holder of the first mortgage on a unit in Hidden Village shall be given timely written notice by the board of a lapse, cancellation, or material modification of any insurance policy maintained by the association.

16. The first sentence of Section 18.1 is hereby amended to read as follows:

Each unit owner, at his own expense, shall perform all maintenance, repair and replacement of the interior of such owner's unit, shall perform all

maintenance, planting, pruning, mowing and cleaning of all lawns and landscaping on such owner's lot within areas enclosed by a fence or courtyard, and shall otherwise do all thing necessary to keep his unit including its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition.

17. The last sentence of Section 18.1 is hereby amended to read as follows:

Subject to Section 18.3, the association has responsibility for all repairs and maintenance of common elements and limited common elements, including, but not limited to, common element conduits for water, sanitary sewer and storm sewer, except to the extent to which they are maintained by a public authority or by a public utility.

18. Section 18.3 is hereby amended in its entirety to read as follows:

18.3 Except as otherwise provided herein, the association shall perform all maintenance, repair, and replacement of the exterior of units on lots and all buildings and structures in the common elements, excluding, with respect to units on lots, doors and door frames, windows and window frames, and skylights and skylight frames (if any) and, with respect to units on lots and garages in the limited common elements, any exterior maintenance, repair, or replacement which is isolated to one unit of the building in which the unit is situated or garage, but including, without limitation, the following: painting or staining of siding, rain gutters, roofs and chimneys. Any exterior maintenance, repair, or replacement for which the association is not responsible shall be performed by the owner whose unit or garage needs such maintenance, repair, or replacement. The association shall perform all maintenance, planting, pruning, mowing and cleaning of all lawns and landscaping on the Property, including, without limitation, all landscaping and lawns on owners' lots, excluding only so much of the same as is completely enclosed by a fence or courtyard on owners' lots. In addition, the board shall repair and maintain the exterior surfaces, roofs and gutters of buildings within all common elements. The cost of all functions performed by the association under this Section 18.3 shall be a common expense payable by the unit owners in accordance with the provisions of this declaration and the bylaws. In performing any repair, maintenance, restoration or replacement obligations provided for herein, each unit owner and the board shall comply with all reasonable requirements of the board with respect to colors, materials, textures, compositions and methods of application and installation.

19. Article 18A is hereby added as follows:

Article 18A
Condemnation of Common Elements

In the event all or any portion of the common elements is appropriated as the result of condemnation or threat or imminence thereof, the following rules and guidelines shall apply:

18A.1 Representation by Association. The board of directors shall have the sole authority, right and duty to represent each of the owners for the purpose of negotiating and contesting, if it deems so doing to be necessary or appropriate, any condemnation award offered by the condemning authority in question and may authorize expenditures and assessments to retain adequate counsel or other experts for such purposes.

18A.2 Allocation of Condemnation Award. The board of directors shall allocate and distribute any condemnation award received by it with respect to the common elements to the owners in proportion to the diminution in fair market value incurred by them with respect to their respective lots and improvements as a result of said condemnation.

18A.3 Retention of Rights. No provision of this Article shall be construed as negating the right of the individual owners to such incidental relief as the law may provide as a result of the condemnation of the common elements.

20. Article 25 is hereby added as follows:

Article 25
Bylaws

Although the bylaws of the Association were attached as an exhibit to the Declaration, amendments to the Declaration can be made from time to time without amending or attaching the bylaws to the same. Likewise, amendment to the bylaws may be made from time to time, as set forth therein, without further amendment to the Declaration.

Certification

Arques and Thompson, by and through their authorized representative, Peter Chinloy, certify that this First Amendment to Amended Declaration of Covenants, Conditions, Restrictions, and Easements for Hidden Village Townhouses, a planned unit development, City of Portland, Multnomah County, Oregon, was voted upon and unanimously passed at a meeting held on the 31st day of JULY, 1997.

DATED this 31st day of JULY, 1997.

ARQUES LIMITED INVESTORS, a California limited partnership, by PACIFIC WESTERN MORTGAGE & INVESTMENT COMPANY, General Partner

THOMPSON PARK LIMITED INVESTORS, a California limited partnership, by PACIFIC WESTERN MORTGAGE & INVESTMENT COMPANY, General Partner

By Peter Chinloy
Peter Chinloy, President

By Peter Chinloy
Peter Chinloy, President

STATE OF VIRGINIA)
County of FAIRFAX) ss.

This instrument was acknowledged before me this 31st day of JULY, 1997, by Peter Chinloy as President of Pacific Western Mortgage & Investment Company, the General Partner of Arques Limited Investors, a California limited partnership, and Thompson Park Limited Investors, a California limited partnership.

Judith W. Wain
Notary Public
My Commission Expires Oct. 30, 2000