

ASSIGNED

CONDOMINIUMS, NORTHWEST, INC.

P.O. Box 7108

01 N. E. Pine St.

alem, Oregon 97301

ed November 5, 1969

Novemner 5, 1969

suspended until

l to applicant

approval December 18, 1970

CONSTRUCTION

beginning December 19, 1971

completion October 1, 1972

ided to

application of water October 1, 1973

ided to

PROSECUTION OF WORK

l" filed January 5, 1972

3" filed October 10, 1972

" filed Sept. 28, 1973

FINAL PROOF

ailed

ceived

tificate issued

Application No. 46529

Permit No. 34974

Certificate No.

Stream Index, Page No. 18-6 M

Tracing in Map file E 21-4

FEES PAID

Date	Amount	Receipt No.
11-5-69	30.00	16865
5/24/96	10.00	002696

\$1 Cert. Fee

FEES REFUNDED

Date	Amount	Check No.
------	--------	-----------

ASSIGNMENTS

Date	ASSIGNED To Whom Unit Owners	Address	Volume	Page
8-28-92	of The Inn at Otter Crest	Po Box 447, Woodburn OR 97071	By declarati	
5-24-96	Johnson Creek Water Services Co.	POB 232, Otter Rock, 97369	7	3199

REMARKS

0.50 cfs from Johnson Creek for the irrigation of 10 acres, commercial, and domestic use, being 0.125 cfs for irrigation, 0.075 cfs for commercial, and 0.30 for domestic use

DEC 27 1971 CARD FOR A
OCT 4 1972 CARD FOR B

RECEIVED
JAN 5 1972
STATE ENGINEER
SEASIDE, OREGON

I, Condominiums Northwest, Inc., the holder of Permit No. 34974

to appropriate the public waters of the state of Oregon, began the actual construction of the works described therein on the 1st day of October, 1971.

Remarks: Work began with excavation, rocking, structural concrete work,
The appropriator should state the manner of beginning construction work, number of men employed, the amount of work completed

40 discharge line, done by Pelton Construction, Inc. Approximately 16%
up to the date of this statement, and any additional information which may tend to show the beginning of work in good faith.

of contract completed during October

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of January, 1972.

Cah
(Signature of Applicant) P. O. Box 7108, Salem, Oregon 97303
(Address)
for Condominiums Northwest, Inc.

Fill out, detach and mail to the State Engineer, Salem, Oregon 97310, when construction work is begun.

SP*44006-119

Form B

Application No. 46529

NOTICE OF COMPLETION OF CONSTRUCTION

I, Condominiums Northwest, Inc., the holder of Permit No. 34974

to appropriate the public waters of the state of Oregon, completed the construction of the works described therein on the 1st day of October, 1972.

Remarks: If the works have less capacity than described in the permit, or you have definitely abandoned part of the proposed development, you
should so state in order that our records may not be unnecessarily encumbered.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of October, 1972.

Robert W. Campbell
(Signature of Applicant) P.O. Box 7108 Salem, Oregon
(Address)
for Condominiums Northwest, Inc.

Fill out, detach and mail to the State Engineer, Salem, Oregon 97310, when construction work is completed.

Form C

IMPORTANT—This form is a notice to the State Engineer that permittee is ready to make **final proof** to the extent to which the water has actually been applied to the intended use under the terms of the permit. Permittee is cautioned that Certificate of Water Right will be issued based on the extent of the quantity and use as determined by the **final proof** inspection and survey which will be made in response to the filing of this Form C.

NOTE: In the case of an irrigation permit, this Form C should not be mailed to the State Engineer until all of the land described in the permit, which it is intended to irrigate under this permit at any time, has actually been irrigated.
Fill out, detach and mail to the State Engineer, Salem, Oregon 97310, when all of the water has been applied.

Application No. 46529

NOTICE OF COMPLETE APPLICATION OF WATER TO A BENEFICIAL USE

I, Edwin H. Armstrong for Condominiums Northwest, Inc., the holder of Permit No. 34974

to appropriate the public waters of the state of Oregon, completely applied the waters to a beneficial use in accordance with the terms of said permit, on the _____ day of January, 1973.

Remarks: _____

IN WITNESS WHEREOF, I have hereunto set my hand this 26 day of September, 1973.

E. H. Armstrong
(Signature of Applicant) 2400 SW. 4th Ave. Portland, Ore
(Address) 97201

RECEIVED
OCT 10 1972
STATE ENGINEER
SEASIDE, OREGON

RECEIVED

JAN 11 1999

JOHNSON CREEK WATER SERVICE COMPANY

14875 S.W. Peachtree Dr., Tigard, OR 97224

WATER RESOURCES DEPT.
SALEM, OREGON

Oregon Water Resources Department
158 12th St. N.E.
Salem, OR 97310

December 20, 1996

ATTN: Dallas Miller

Re: Time Extension Request for Application 47226 (Permit 35342)

Enclosed please find two (2) time extension requests for the above referenced permit and one \$200.00 check for the accompanying \$100.00 statutory fee for each. The narrative below is intended to explain how the administration of our water rights fell into arrears, and hopefully to help you reach a favorable consideration of our request for the two extensions. The narrative has been prepared based on extensive research by our Board Members (the Board includes an engineer, a CWRE and other professionals) and by our consulting engineer and our consulting CWRE.

Application Number 46529, Permit Number 34974

The President of West Shore Land Company, on behalf of Condominiums Northwest, Inc. (CNW), applied for and was issued Permit Number 34974 authorizing the diversion of 1.0 cfs consisting of 0.5 cfs from Johnson Creek and 0.5 cfs from Spencer Creek, both with a priority date of November 5, 1969.

CNW authorized the Oregon Water Resources Department (WRD) to delete the use of Spencer Creek and to reduce the total requested appropriation to 0.50 cfs from Johnson Creek alone. WRD approved the reduction in right to 0.50 cfs on October 28, 1970, then issued a permit which allocated the 0.50 cfs as 0.125 cfs for irrigation of 10 acres, 0.075 cfs for commercial use, and 0.30 cfs for domestic use.

In October 1971, WRD advised the Otter Rock Water District that they could supply water to CNW under Permit 35342 under certain conditions and provided that CNW assigned permit 34974 to the Otter Rock Water District. In fact, the reverse occurred as described under Application 47226, below

The salient point is that CNW became more interested in municipal right 47226, described below, and less interested in 46529. As a result, the "A" and "B" cards were filed for 46529 in 1972 and the "C" card in 1973. Little thought was given to filing a time extension request for 46529 since 47226 was a municipal right and viewed to be much more flexible and appropriate to CNW's intended use. For example, during a contact with surveyor WRD Russ Klassen, J. R. Taylor (a maintenance employee at that time for the Inn) advised Klassen that 46529 was no longer needed since 47226 was sufficient. As a result, WRD placed an "adverse report" in the file for 46529.

Later that year (1973), WRD advised CNW to expect a final proof survey on 46529. WRD surveyor Larry Nunn was rained out of conducting a final proof survey in 1975, but did find that CNW was no longer the owner. WRD delayed activity on 46529 until much later as its fate became entangled with 47226.

Application Number 47226, Permit Number 35342

Water right application Number 47226 was originally filed by the Otter Rock Water District for which the applicant was issued Permit Number 35342 authorizing the diversion of 4.0 cfs from Johnson Creek for municipal use with a priority date of July 17, 1970.

The Otter Rock Water District assigned the permit to the Inn at Otter Crest on August 11, 1982. The issue of whether the Inn at Otter Crest was a legal entity arose later, so the permit was assigned to the Association of Unit Owners of the Inn at Otter Crest in August 1992 to clarify the ownership. The permit was next assigned to the current water right holders, the Johnson Creek Water Service Company (JCWSC), in May 1996.

The prior owners extended the permit to 1988 so that the ultimate development would be covered by the certificate, when issued. It is now clear that the owners intended to submit further time extensions until development to the full potential originally envisioned had occurred. This approach is allowed for municipal rights, but lack of leadership by the owners and executives caused financial problems, legal disputes and miscommunications between management and employees which in turn resulted in misunderstandings by the employees who tried to tend to the water rights.

In particular, it appears that the Inn employees communicating with WRD during this critical time did not understand the difference between a time extension request and final proof. Neither did they understand the concept of appurtenancy or incomplete application to beneficial use. In some cases, it is even doubtful that the employees were authorized to conduct business with WRD as they were not the officially authorized representatives of the owners (e.g. J. R. Taylor, mentioned previously). In fairness, however, they were probably doing their best given the leadership problems existing at the time.

Larry W. Jebousek, CWRE, submitted a report dated May 1992 (Attachment 1) wherein Jebousek reports that he found a copy of a time extension request for 47226 filed with WRD on December 29, 1988. WRD has not yet confirmed to us that said extension has been found.

In any case, the WRD conducted a final proof survey in August 1993 which resulted in issuance of a proposed Certificate of Water Right on 47226 in the amount of 0.22 from Johnson Creek for quasi-municipal use. The owners did not spot the red flag raised by this document (i.e. realize that an administrative error was in progress). Neither did they

124-175

Sub
MC Kevitt

Abstract of Permit No. 34974

Minor Services
One Mt Jefferson
Terrace

Application No. 46529 Certificate No. *LL Oswego*

Name **Condominium Northwest, Inc.**
Address **101 N.E. Pine Street
Salem, Oregon**
Source of water supply **Johnson Creek**
Use **Irrigation, commercial and domestic use**
Point of diversion **435' S. & 1570' W. from NE cor. Sec. 3, being within NW 1/4 NE 1/4, Sec. 3, T. 10 S., R. 11 W., W. M., county of Lincoln**
Number of acres **10**

DESCRIPTION OF LAND TO BE IRRIGATED OR PLACE OF USE

Twp.	Range	Sec.	NE 1/4				NW 1/4				SW 1/4				SE 1/4			
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4
95	11W	32	Dom.	Dom.			Com. Dom. 10											
		29												Dom.			Dom.	

Priority date **November 5, 1969**
Amount of water **0.50 c.f.s., being 0.125 c.f.s. for irrigation, 0.075 c.f.s. for commercial and 0.30 c.f.s. for domestic use**
Time limit to begin construction **December 18, 1971**
Time limit to complete construction **10-1-72 extended to extended to**
Time limit to completely apply water **10-1-73 extended to extended to**

Remarks: This appropriation shall be limited to 1/80 of one cubic foot per second or its equivalent for each acre irrigated and shall be further limited to a diversion of not to exceed 2 1/2 acre feet per acre for each acre irrigated during the irrigation season, and shall be subject to such reasonable rotation system as may be ordered by the proper state officer.

1978-P
Baker 70
Bridgman

Comed On
2-7-10-75
4/6/66 new - cross

Basin 18, Vol. 1
ADVERSE
PLK 8/26/93

15537
36521
C- 5574
16211
10497
46467
41226

A# 46529 P# 34974

Condominiums Northwest, Inc. (out of Business)

Contact: Manor Services

One Mt. Jefferson Terrace
Lake Oswego, Oregon

Source: Johnson Cr. trib Pacific Ocean

DIV: Pump from Cr. thru 4" PVC

Pump: from Cr. to Treatment Facility

2 - 10 Hp Jacuzzi Subm.

From ~~Tra~~ Treatment plant to Storage

2 - (alternate) 3 ϕ Century 15 Hp @ 3500

Aurora C.DD 1 1/2 x 2

100 gpm @ 250'

Storage: 15 000 gal Chlorine contact tank

300,000 gal storage tank

Use: Irrigation of lawn near Admin Building and
near Restaurant. Domestic for 280 rental units.
And Commercial in Restaurant, guest laundry, and
Admin Bld.

Survey not made because of Rain - not plot showing
condominium units.

10-10-75
Larry R. Funn
Field Engineer

Condominiums Northwest, Inc. 46529 34974

Info: Neil Brown, Utilities Supervisor

Consumption: Mr. Brown said about 1000 000 gal/mo

The 300 000 gal tank is a five day supply for the rentals and restaurant

The pool uses about 2000 gal/day to maintain level

The irrigation uses five oscillating lawn sprinklers

Remarks: They do not have any reliable metering system.

Tie: 1978-P.

Div. pt. tied to application map & a prop corner set by County Surveyor

Irrigation near restaurant tied to restaurant building

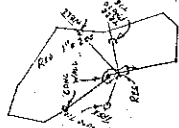
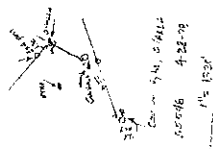
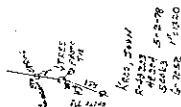
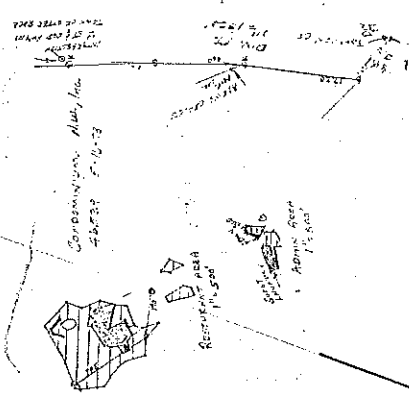
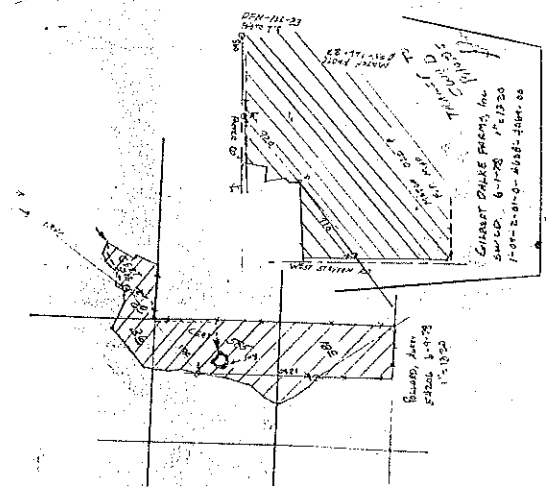
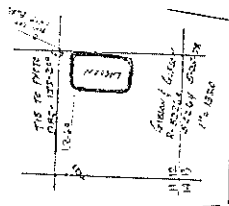
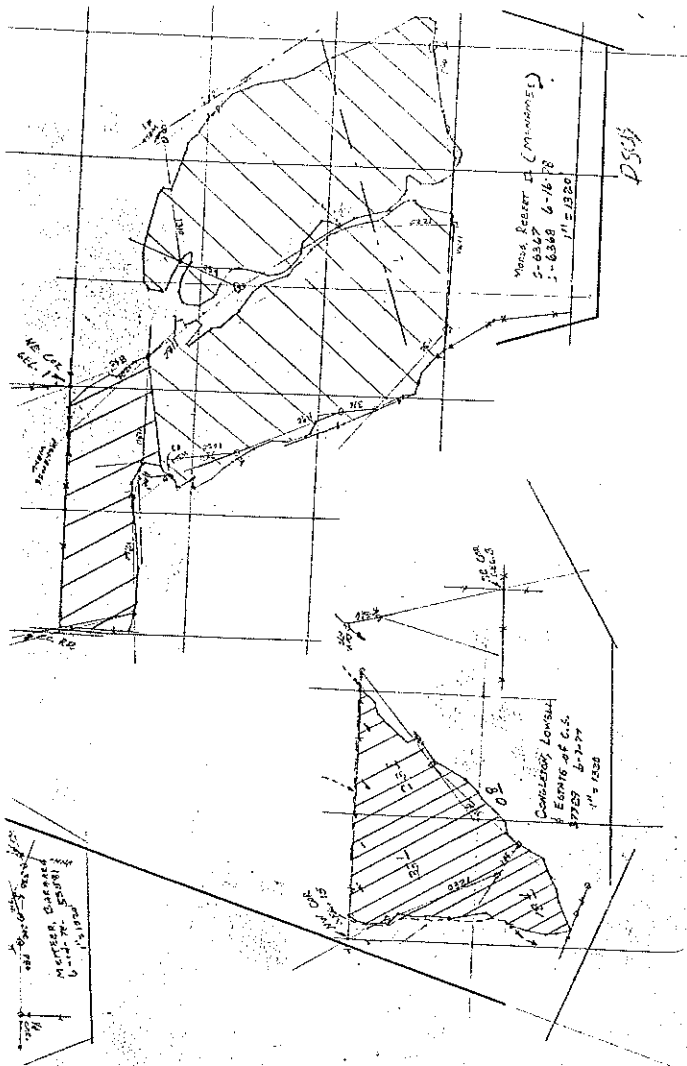
Irrigation near admin building tied to SW cor. of admin building & Guest laundry building.

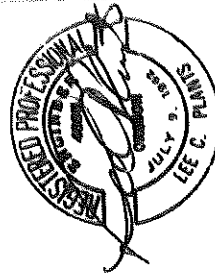
5-16-78

Larry D. Funn
Field Engineer

Info: JR TAYLOR 765-2073 DID NOT FEEL IT WAS NECESSARY TO REPAIR THIS WATER RIGHT SINCE APP 47226 COVERS THE USE & WAS EXTENDED TO "58" SO TOTAL USAGE WOULD BE COVERED. THEREFOR ADVERSE REPORT

Larry D. Funn
WRI 8/26/93

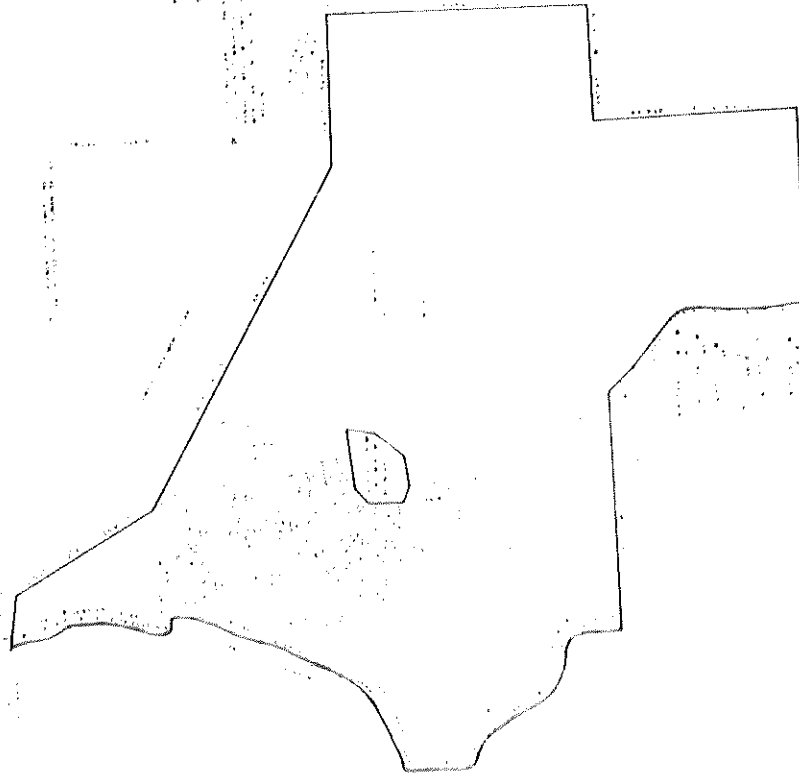


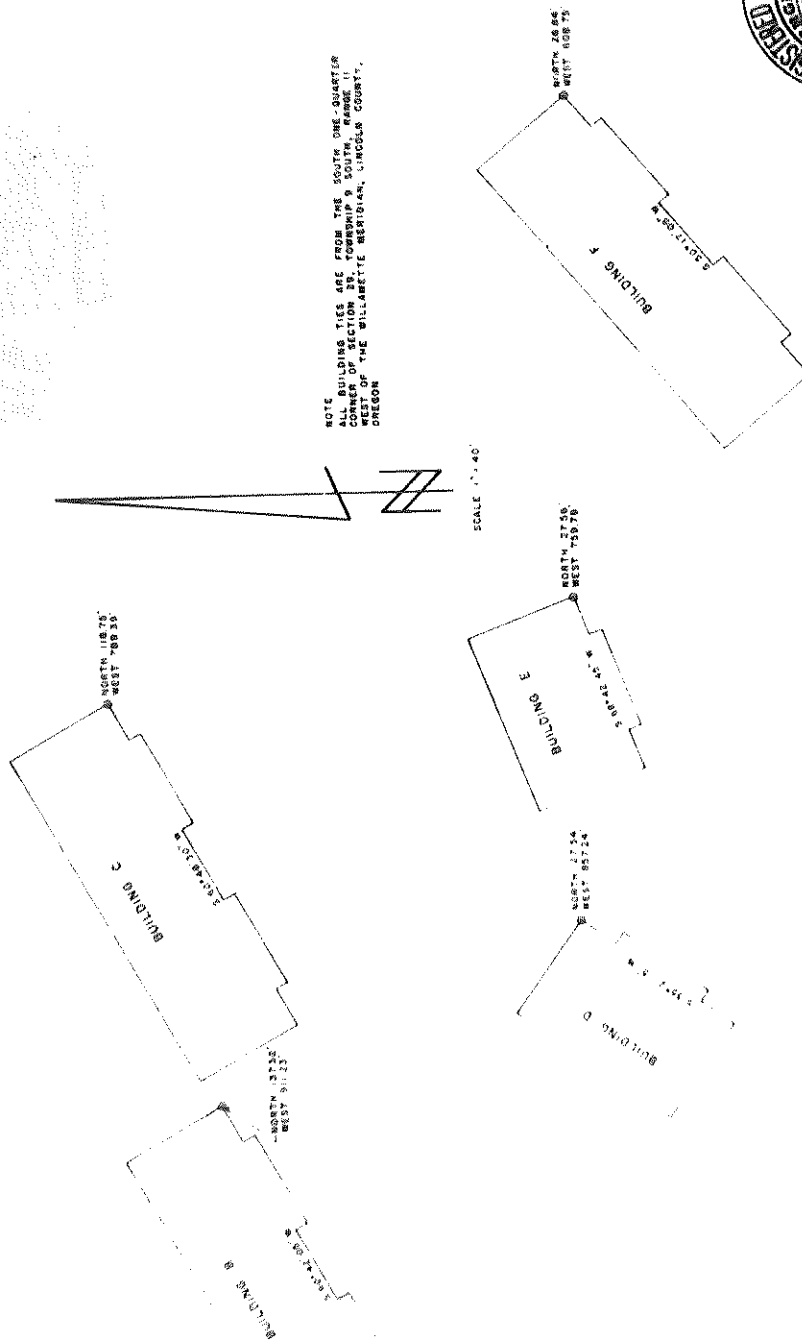


THE INN AT OTTER CREST

171 ROAD 171 AND CONDOMINIUM BOUNDARY
AND APPROXIMATE LOCATION OF BUILDINGS

PREPARED BY: LEE C. SMITH, P.E.
JULY 9, 1988





THE INN AT OTTER CREST

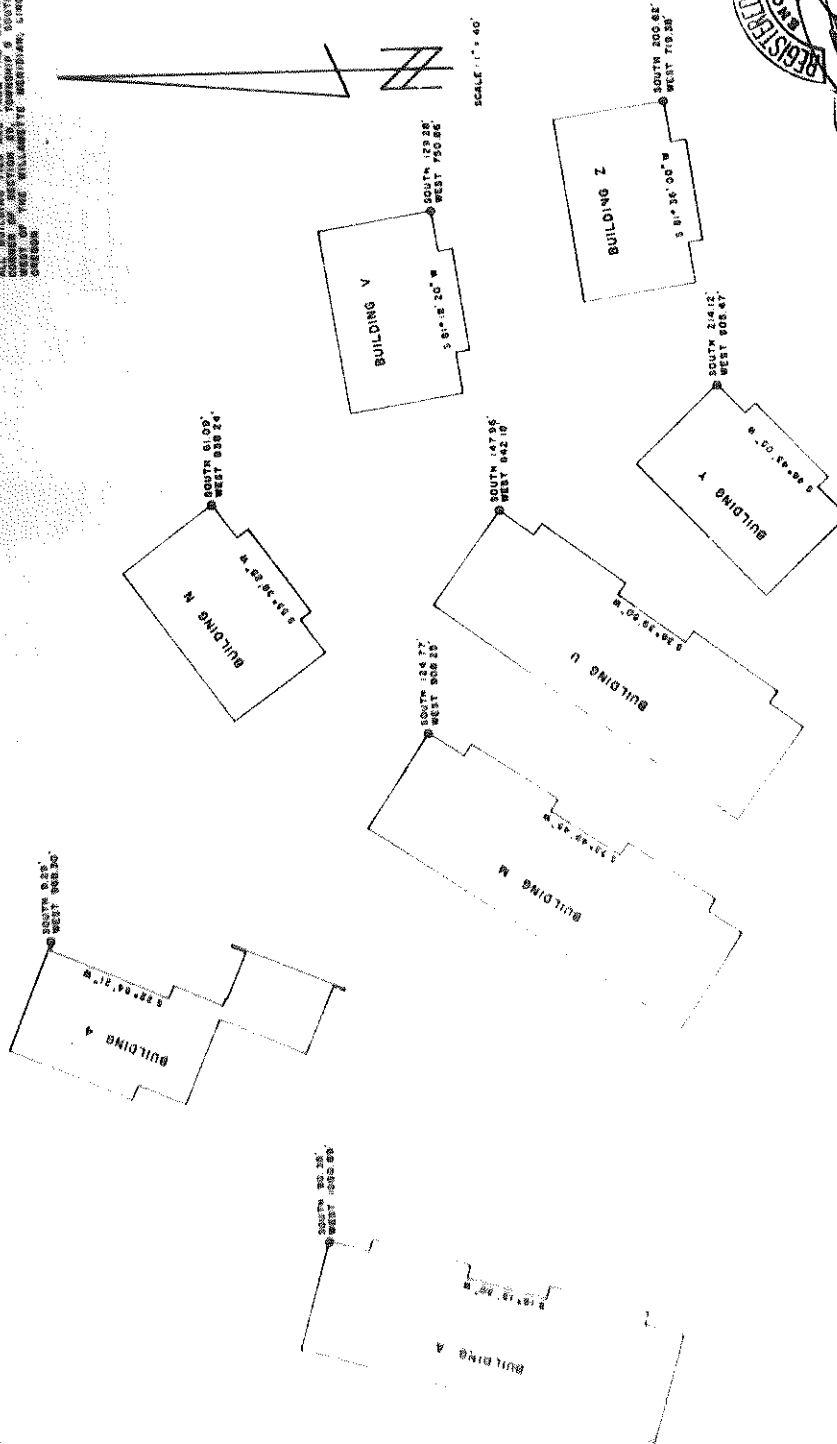
SITE PLAN SHOWING EXACT LOCATION OF BUILDINGS B, C, D, E, F

PREPARED BY LEE C. PLANTS, P.E.
APRIL 16, 1972



SHEET 1

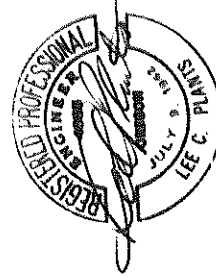
NOTE: BUILDING VISION FROM THE SOUTH ONE-QUARTER
ALL BUILDINGS ARE THUS SHOWN AS SOUTH. EXCEPT
BUILDING A, WHICH IS SHOWN AS NORTH. EAST IS
WEST OF THE WILLAMETTE MERIDIAN, LINCOLN COUNTY,
OREGON.

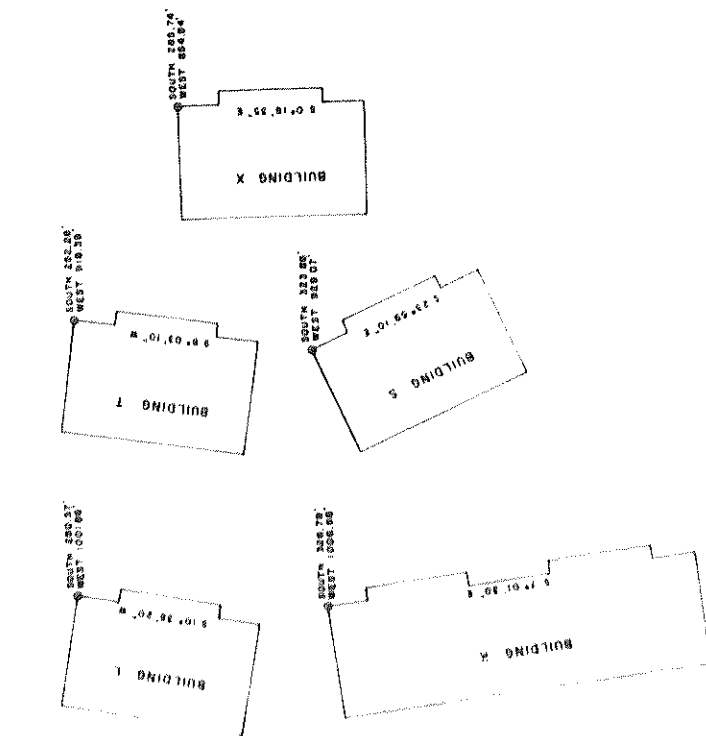


THE INN AT OTTER CREST

SITE PLAN SHOWING EXACT LOCATION OF
BUILDINGS A, M, N, U, V, Y & Z

PREPARED BY LEE C. PLANTS, P.E.
APRIL 18, 1972

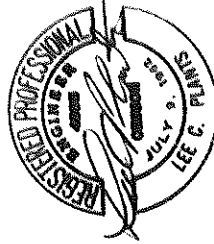




THE INN AT OTTER CREST

SITE PLAN SHOWING EXACT LOCATION OF BUILDINGS X, L, S, T & K

PREPARED BY LEE C. PLANTS, P.E.
APRIL 18, 1972



SHEET 1

NOTE:
ALL BUILDING TIES ARE FROM THE SOUTH ONE QUARTER
CORNER OF SECTION 36, TOWNSHIP 36 N., RANGE 11
EAST OF THE WILLAMETTE MERIDIAN, LINCOLN COUNTY,
OREGON.

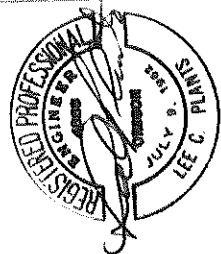


SCALE: 1" = 40'

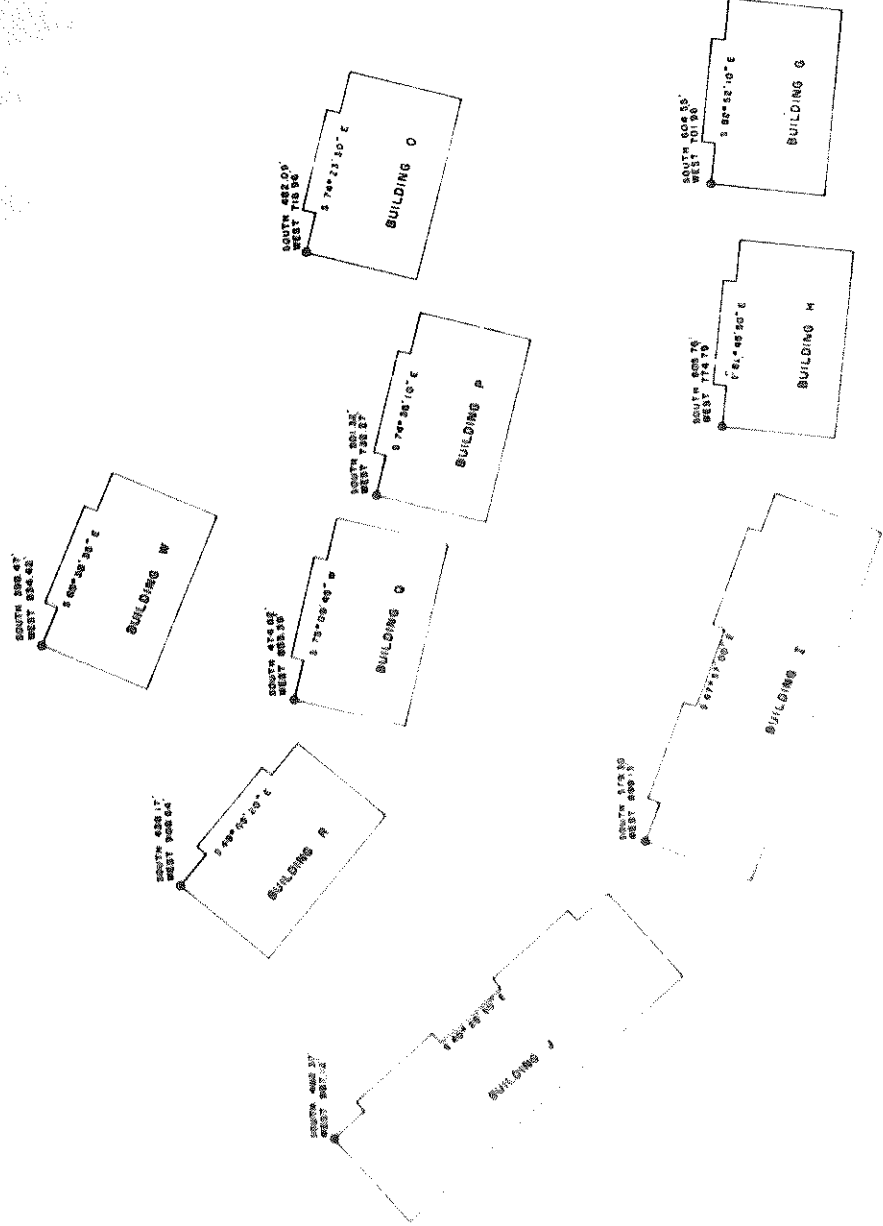
THE INN AT OTTER CREST

SITE PLAN SHOWING EXACT LOCATION OF
BUILDINGS G, H, I, J, O, P, Q, R & S

PREPARED BY LEE C. PLANTS, P.E.
APRIL 18, 1976



SHEET 1



THE INN AT OTTER CREST

Please do not drive private autos on the roads around units (shown solid on this map).

When leaving Otter Crest please be sure to check out at the desk. Check Out time is 1:00 P.M.

WAKE UP CALL	0
MESSAGES	63
BELLMAN	61
RESTAURANT	62
FRONT OFFICE	63
HOUSE KEEPING	64
POOL AND REC. ROOM	100
FRONT DESK	550
WARDROOM LOUNGE	560
MAINTENANCE	561
RESERVATIONS	562

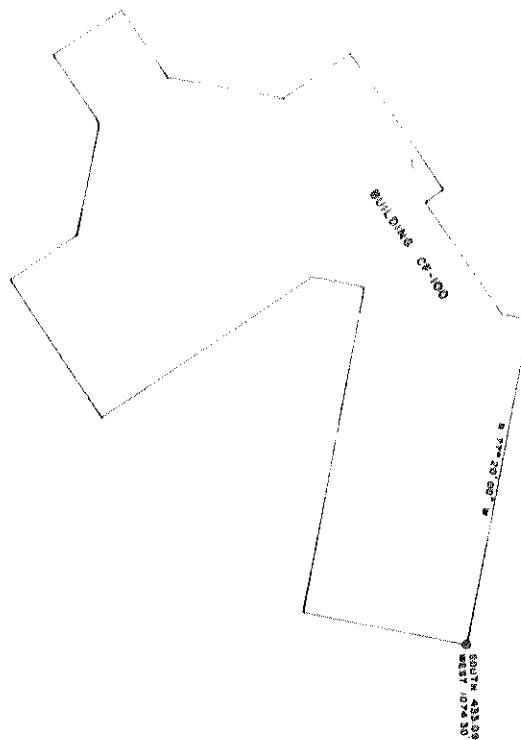
Soft Drinks are located in the Rec. Room and at Tram Stations.

Legend :

Stairs 
Tram 



the inn at
otter crest



NOTE:
ALL BUILDINGS TIED ARE FROM THE SOUTH AND CENTER
CORNER OF SECTION 36, TOWNSHIP 36N, RANGE 11
WEST OF THE WILLAMETTE MERIDIAN, LINCOLN COUNTY,
OREGON.

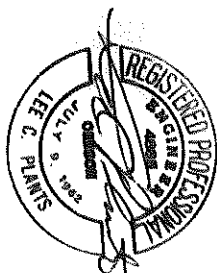
SCALE 1" = 40'



THE INN AT OTTER CREST

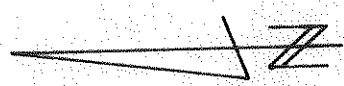
SITE PLAN SHOWING EXACT LOCATION OF
BUILDINGS CF-100 & LB-100

PREPARED BY LEE C. PLANTS, P.E.
APRIL 18, 1972



SHEET 4

NOTE:
BOUNDARY LINES ARE FROM THE 1900-1905 QUARTER
CORNER OF SECTION 36, T4N, R12E, S4E, RANGE 11,
WEST OF THE WILLAMETTE MERIDIAN, LINCOLN COUNTY,
OREGON.



SCALE 1"=40'

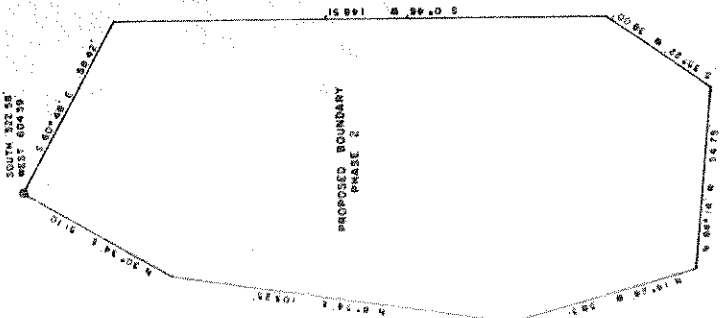
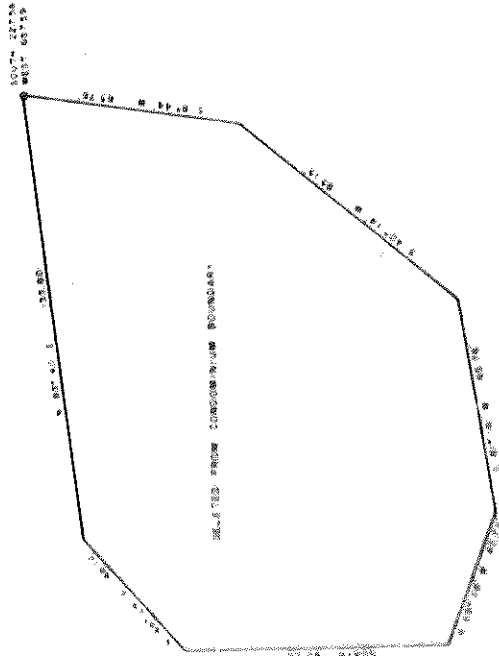
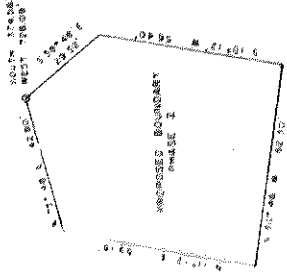


SHEET 1A

THE INN AT OTTER CREST

SITE PLAN SHOWING EXACT LOCATION OF
PROPOSED BOUNDARY FOR PHASE 2 AND
PORTION TO BE SHELTER FROM CONDOMINIUM
BOUNDARY.

PREPARED BY LEE C. PLANT, P.E.
APRIL 18, 1972



BEFORE THE WATER RESOURCES DIRECTOR OF OREGON

MARION COUNTY

IN THE MATTER OF APPLICATION FOR)
EXTENSION OF TIME IN WHICH TO)
COMPLETE CONSTRUCTION WORK) ORDER
AND/OR MAKE COMPLETE APPLICATION)
OF WATER UNDER CERTAIN PERMITS)

The owner of the following water permit issued by the Water Resources Director have submitted applications for extensions of time limits within which to complete the construction work and/or make complete application of water to beneficial use under their respective permits.

The Water Resources Director is authorized under the provisions of ORS 537.230 to grant extensions of time for good cause shown, within which to complete work to perfect a water right under a permit;

The statements in the applications for extensions filed regarding completion of the projects indicate that each has shown such reasonable diligence as entitles them to an extension of time; and

No protest or objections to the granting of an extension under any of the following permits have been filed by any subsequent permit holders;

NOW, THEREFORE, it is hereby ORDERED that extensions of time are granted as follows:

<u>PERMITTEE</u>	APPL. NUMBER	PERMIT NUMBER	BASIN NUMBER	NEW TIME LIMITS TO:	
				COMPL CONST.	APPLY WATER
Johnson Creek Water Services Co.	47226	35342	18	10/1/93	10/1/93
Johnson Creek Water Services Co.	47226	35342	18	10/1/98	10/1/98

Dated at Salem, Oregon this ____ day of _____, 1997.

Martha O. Pagel
DIRECTOR

Negligible delinquency

Good cause - no injury
- Administrative problems

Sent C form in on accident 12/29/88.
Dept. did FPS + Draft cert.

WATER AVAILABILITY TABLE

Basin: MID COAST Exceedance Level: 80
 Water Availability Subbasin: 2500000000000000 (and Nested Subbasins)
 Time: 15:21 Date: 02/24/1997

Item #	W.A. Subbasin	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Sto
1	2500000000000000	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

STREAM NAMES

Basin: MID COAST
 Water Availability Subbasin: 2500000000000000 (and Nested Subbasins)
 Time: 15:21 Date: 02/24/1997

WAB #	Stream Name	Tributary to
2500000000000000	JOHNSON CR @ mouth	PACIFIC OCEAN

LIMITING WATER AVAILABILITY SUBBASINS

Water Availability Subbasin: 2500000000000000

Basin: MID COAST

Exceedance Level: 80

Time: 15:21

Date: 02/24/1997

Month	Limiting Subbasin	Stream Name	Water Available?	Net Water Available
1	2500000000000000	JOHNSON CR @ mouth	YES	3.2
2	2500000000000000	JOHNSON CR @ mouth	YES	3.8
3	2500000000000000	JOHNSON CR @ mouth	YES	3.3
4	2500000000000000	JOHNSON CR @ mouth	YES	2.4
5	2500000000000000	JOHNSON CR @ mouth	YES	1.5
6	2500000000000000	JOHNSON CR @ mouth	YES	1.1
7	2500000000000000	JOHNSON CR @ mouth	YES	0.9
8	2500000000000000	JOHNSON CR @ mouth	YES	0.7
9	2500000000000000	JOHNSON CR @ mouth	YES	0.5
10	2500000000000000	JOHNSON CR @ mouth	YES	0.5
11	2500000000000000	JOHNSON CR @ mouth	YES	1.3
12	2500000000000000	JOHNSON CR @ mouth	YES	3.5
Stor	2500000000000000	JOHNSON CR @ mouth	YES	2370.0

DETAILED REPORT ON WATER AVAILABILITY

Basin: MID COAST

Stream: JOHNSON CR @ mouth

Water Availability Subbasin: 2500000000000000

ID Number: 31820410

Exceedance Level: 80

Time: 15:21

Date: 02/24/1997

Month	Natural Stream Flow	CU + Stor Prior to 1/1/93	Net Min. Flow 1/1/93	CU + Stor After 1/1/93	Net Min. Flow Now	Instream Water Rights	Net Water Available
1	3.30	0.07	3.23	0.01	3.22	0.00	3.22
2	3.83	0.07	3.76	0.01	3.75	0.00	3.75
3	3.36	0.07	3.29	0.01	3.28	0.00	3.28
4	2.49	0.07	2.42	0.01	2.41	0.00	2.41
5	1.56	0.07	1.49	0.01	1.48	0.00	1.48
6	1.19	0.08	1.11	0.01	1.10	0.00	1.10
7	0.97	0.09	0.88	0.01	0.87	0.00	0.87
8	0.76	0.08	0.68	0.01	0.67	0.00	0.67
9	0.57	0.07	0.50	0.01	0.49	0.00	0.49
10	0.59	0.07	0.52	0.01	0.51	0.00	0.51
11	1.36	0.07	1.29	0.01	1.28	0.00	1.28
12	3.60	0.07	3.53	0.01	3.52	0.00	3.52
Stor	2430	53	2380	6	2370	0	2370

DETAILED REPORT OF ISWRs

Basin: MID COAST

Stream: JOHNSON CR @ mouth

Water Availability Subbasin: 2500000000000000

Time: 15:21

Date: 02/24/1997

-----ISWRs-----							
APP # :	0	0	0	0	0	0	RESULTANT
STATUS:							
1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Basin: MID COAST Exceedance Level: 80
Water Availability Subbasin: 2500000000000000 (and Nested Subbasins)
Time: 15:21 Date: 02/24/1997

[illegible]

Lets talk
about this
one —

Wait
UNTIL AFTER
DICK RULES

Condominiums Northwest, Inc. 46529 34974

Info: Neil Brown, Utilities Supervisor

Consumption: Mr. Brown said about 1 000 000 gal/mo

The 300 000 gal tank is a five day supply for the rentals and restaurant.

The pool uses about 2000 gal/day to maintain level

The irrigation uses five oscillating lawn sprinklers

Remarks: They do not have any reliable metering system.

Ties 1978-P.

Div. pt. tied to application map & a prop corner set by County Surveyor

Irrigation near restaurant tied to restaurant building

Irrigation near admin building tied to SW cor. of admin building & Guest laundry building.

5-16-78

Larry W. Austin
Field Engineer

Info: JR TAYLOR 765-2073 DID NOT FEEL IT WAS NECESSARY TO RETAIN THIS WATER RIGHT SINCE APP 47226 COVERS THE USE & WAS EXTENDED TO "58" SO TOTAL USAGE WOULD BE COVERED. THERE FOR ADVERSE REPORT

David V. Chan
WRI 8/26/93

June 3, 1996

JOHNSON CREEK WATER SERVICES CO
PO BOX 232
OTTER ROCK OR 97369

REFERENCE: Files 47226 & 46529

The assignments of Permits 35342 and 34974 from Association of Unit Owners of the Inn at Otter Crest to you have been recorded in the records of the Water Resources Department. Our records have been changed accordingly and the original assignments are enclosed.

Our receipts number 002609 and 002696 covering the \$20 recording fee have been sent to First American Title of the Willamette Valley.

Sincerely,

Dallas S. Miller
Water Rights Specialist

DSM:jh

enclosure

cc: Dave Jarrett, Watermaster
Kelley Starnes, Field Office
Association of Unit Owners of Inn at Otter Crest
First American Title of Willamette Valley



Commerce Building
158 12th Street NE
Salem, OR 97310-0210
(503) 378-3739
FAX (503) 378-8130

September 2, 1992

James, Denecke & Harris
Attorneys at Law
Attn: CeeAnn Callahan
888 SW Fifth Avenue
Portland OR 97204-2096

REFERENCE: Files 46529 and 47226

The Assignment of Permits 34974 and 35342 by the Declaration of Unit Ownership Dated May 4, 1972 has been recorded in the records of the Water Resources Department.

Our records have been changed accordingly and our receipt number 87839 covering the recording fee of \$20 you submitted is enclosed.

Sincerely,

THOMAS E. SHOOK
Water Rights Specialist

TES:jh

Enclosure

cc: Association of Unit Owners of The Inn at Otter Crest



CHRISTOPHER JAMES
DAVID R. DENECKE
ROGER K. HARRIS

J. RICHARD URRUTIA
SUSAN D. MARMADUKE*
CEEANN CALLAHAN†
CHRISTOPHER E. MARTIN**
JERRY L. LAWSON, JR.

*MEMBER OREGON,
CALIFORNIA AND
PENNSYLVANIA BARS

†MEMBER OREGON
AND KANSAS BARS

**MEMBER OREGON
AND WASHINGTON BARS

JAMES, DENECKE & HARRIS

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

1150 PIONEER TOWER
888 S.W. FIFTH AVENUE
PORTLAND, OREGON 97204-2096
(503) 228-7967

OF COUNSEL:
ARNO H. DENECKE
BRUCE MACGREGOR HALL, P.C.

FACSIMILE
(503) 222-7261

IN REPLY, REFER TO
OUR FILE NUMBER:

030/9664

August 26, 1992

Mr. Thomas E. Shook
Oregon Water Resources Department
3850 Portland Rd NE
Salem, Oregon 97310

Re: Application No. 47226/Permit No. 35342

Dear Mr. Shook:

You spoke with CeeAnn Callahan of this office earlier this summer regarding the above referenced application and permit. As you are aware, application number 47226 was originally filed by the Otter Rock Water District on July 17, 1970. Pursuant to the application, Permit No. 35342 was issued authorizing the diversion of 4.0 cfs from Johnson Creek for municipal use. The Otter Rock Water District then assigned the permit on August 11, 1982 to the "Inn at Otter Crest." As you and Ms. Callahan discussed, there is no legal entity known as "Inn at Otter Crest" and there never has been. In June of this year, an assignment for this permit had been prepared and forwarded to you for recording. The purpose of the assignment was to clarify the ownership of the permit by the Association of Unit Owners of the Inn at Otter Crest (referred to hereafter as AUO).

Pursuant to your discussion with Ms. Callahan, I understand that you had requested that our office explain, in letter form, the relationship of the AUO with the Inn at Otter Crest for purposes of clarifying the ownership of Permit No. 35342. A brief history of the Inn at Otter Crest would be helpful for this clarification.

A Declaration of Unit Ownership dated May 4, 1972, was recorded by Condominiums Northwest, Inc. establishing the development, the Inn at Otter Crest, as a condominium project, and setting forth in general terms the governance, rights and responsibilities of the condominium unit owners. A copy of the Declaration is enclosed for your reference. Pursuant to the Declaration, the Association of Unit Owners of the Inn at Otter Crest was authorized and established. The AUO is authorized to maintain the common elements of the project and assess its members for the costs of said elements. It is the only entity organized on behalf of the unit owners for this condominium project. Pursuant to ORS 100.405(4)(d) and Articles 2 and 3 of the recorded bylaws of

RECEIVED
AUG 28 1992
WATER RESOURCES DEPT
SALEM, OREGON

Mr. Thomas E. Shook
August 26, 1992
Page 2

the AUO, the AUO is authorized to act on behalf of the unit owners of the Inn at Otter Crest. Another entity, the Otter Crest Corporation has also been involved with the Inn at Otter Crest, but its role has been limited to management of the hotel and convention facilities at this condominium project. The Otter Crest Corporation is not the entity representing the unit owners.

I hope this information has been useful in setting out the interests of the AUO with respect to the Inn at Otter Crest. We would ask that you clarify Permit No. 35342 to show that the actual owner of the Permit is the Association of Unit Owners of the Inn at Otter Crest. For our records, please confirm in writing that this clarification is acceptable. If you should need any further information, please do not hesitate to contact me or CeeAnn Callahan. Thank you for your assistance.

Very truly yours,

JAMES DENECKE & HARRIS



Roger K. Harris

RKH/cb

Enclosure

cc: Mary Lou Scheidt, Chairwoman,
Association of Unit Owners of the Inn at Otter Crest

June 17, 1992

ASSOCIATION OF UNIT OWNERS
INN AT OTTER CREST
PO BOX 447
WOODBURN, OR 97071

REFERENCE FILES: 46529 AND 47226

We have received your check in the amount of \$20 along with requests to assign permits 34974 and 35342.

We are unable to act on your request because the record holders of the permits did not sign the forms.

Permit 34974 is in the name of Condominiums, Northwest, Inc. and permit 35342 is in the name of Inn at Otter Crest. If you are unable to obtain signatures from officers of these entities, you will have to provide a copy of the legal description showing you as legal owner of the property in question. Depending on the length of the deed, additional fees might be needed.

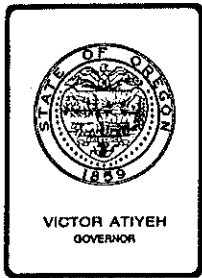
Your agreements are enclosed.

Sincerely,

Thomas E. Shook
Water Right Specialist

cc: Otter Crest Corp.





Water Resources Department

MILL CREEK OFFICE PARK

555 13th STREET N.E., SALEM, OREGON 97310

PHONE 378-3066 or
1-800-452-7813
(message line)

January 7, 1982

Mike Booty
H.G.E. Inc./Engineers & Planners
19 NW 5th Avenue
Portland, OR 97209

Dear Mr. Booty:

REFERENCE: File 46529

Pursuant to your letter dated December 31, 1981, I am enclosing copies of the permit numbered 34974 and supporting map. Our Receipt 29097 covering the copying fee of \$2.35 you submitted is enclosed.

Sincerely,

Wayne J. Overcash
Senior Water Rights Examiner

WJO:tw

HGE INC./ENGINEERS & PLANNERS
19 N.W. FIFTH AVENUE / PORTLAND, OREGON 97209 / (503) 222-1687

RECEIVED
JAN 4 1982
WATER RESOURCES DEPT.
SALEM, OREGON

December 31, 1981

Department of Water Resources
555 13th Street, N.E.
Salem, OR 97310

Dear Sir:

Enclosed is the copy fee of \$2.35 for the No. 34974 permit and map in file 46529. The permit was issued to Condominium Northwest for Johnson Creek water rights for the Inn at Otter Crest.

I obtained the permit and file numbers from Wayne Overstreet.

Please call me if you have any questions.

Very truly yours,

H.G.E., INC.

Mike Booty
Mike Booty

MB:cr

Enclosure

August 8, 1974

Mr. John E. Day
John E. Day & Associates
Suite 229, 1730 S.W. Skyline Blvd.
Portland, Oregon 97221

Dear Mr. Day:

Enclosed is a copy of Permit No. 34974 issued to Condominiums Northwest.

The final proof survey has not yet been made. According to our records the permit is valid to the extent of use of water by October 1, 1973 under the terms of the permit.

Very truly yours,

Trevor Jones
Assistant

TJ:whh

JOHN E. DAY & ASSOCIATES

REAL ESTATE APPRAISERS & CONSULTANTS

SUITE 229, 1730 S. W. SKYLINE BLVD.

PORTLAND, OREGON 97221

503.292.8854

RECEIVED

AUG 7 1974

STATE ENGINEER
SALEM, OREGON

August 6, 1974

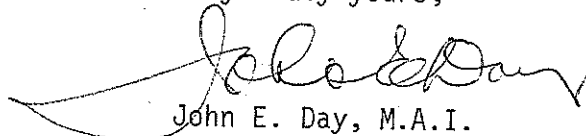
State Engineer's Office
1178 Chemeketa Street
Salem, Oregon

Dear Sir:

Enclosed herewith is a check in the amount of \$1.75 for a copy of Water Rights Permit No. 34974, which was issued to Condominiums Northwest for diversion of water from Johnson Creek in Lincoln County.

During a conversation with Mr. Trevor Jones, he indicated that a final inspection may have been made of the project. If this has been done, it would be appreciated if he could advise me of any changes in the basic authorization for water diversion under the permit, or any other restrictions which may be placed on the rights of Condominiums Northwest, etc.

Very truly yours,



John E. Day, M.A.I.

Enclosure

JED:ca

**STATE
ENGINEER**

WATER RESOURCES DEPARTMENT

1178 CHEMEKETA STREET N.E. • SALEM, OREGON • 97310 • Phone 378-3739

46529

September 28, 1973

Condominiums Northwest, Inc
101 NE Pine Street
Salem, OR 97301

Dear Gentlemen:

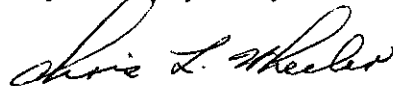
This will acknowledge receipt of your notice to the effect that complete application of water has been made under permit No. 34974.

Pursuant to your report and in line with the general practice of this office, a survey will be made at a later date.

After this survey, proof may be made and certificate issued covering the actual use of water as found by the engineer. In case of irrigation, any lands described in the permit that have not been irrigated will be automatically eliminated from the water right.

In the meantime, the permit which you hold will be valid evidence of the water right in question so long as you continue to use the water.

Very truly yours,



CHRIS L. WHEELER
State Engineer

Form 128

tml

**STATE
ENGINEER**

WATER RESOURCES DEPARTMENT

1178 CHEMEKETA STREET N.E. • SALEM, OREGON • 97310 • Phone 378-3739

October 11, 1972

File No. 46529

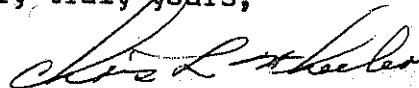
Condominiums Northwest, Inc.
P. O. Box 7108
Salem, OR 97301

Dear Gentlemen:

This will acknowledge the notice of completion of construction under the terms of permit No. 34974.

Under the provisions of the permit, the time limit for completion of the appropriation by accomplishing the authorized beneficial use of water to the full extent intended will expire October 1, 1973. (In the case of irrigation, completion of the appropriation means at least one beneficial irrigation of all the land to be irrigated under the subject permit.)

Very truly yours,



CHRIS L. WHEELER
State Engineer

**STATE
ENGINEER**

WATER RESOURCES DEPARTMENT

1178 CHEMEKETA STREET N.E. • SALEM, OREGON • 97310 • Phone 378-3739

Condominiums, Northwest, Inc.
P. O. Box 7108
101 N.E. Pine St.
Salem, O^{re} 97301

January 12, 1972

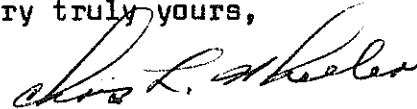
46529
File No.

Gentlemen:

This will acknowledge the notice of beginning
of construction under the terms of permit No. 34974.

Our records show the time limit for completion
of construction of the works and/or the purchase and
installation of all the facilities required for the
authorized beneficial use of water will expire on
October 1, 1972.

Very truly yours,



CHRIS L. WHEELER
State Engineer

Form 118

reo

October 1, 1971

47226
46529
46467

Otter Rock Water District
c/o Chris Nyland
Otter Rock, Oregon 97369

Dear Mr. Nyland:

If the Otter Rock Water District enters into some type of arrangement to furnish water to Condominiums Northwest, this can be done under the District's permit No. 35342. The map submitted with the District's application locates a new boundary which does take in most of the Condominium development area and the portion that is not included in the service area as shown on the map is adjacent to it.

If such an arrangement is made, the District probably should obtain an assignment of permit No. 34974 which was issued to Condominiums Northwest, Inc.

Very truly yours,

Trevor Jones
Assistant

TJ:slv

46529

February 22, 1971

Condominiums Northwest, Inc.
101 NE Pine St.
Salem, OR 97301

Gentlemen:

print of your application map.

46529, permit No. 34974, with a



CONDOMINIUMS NORTHWEST, INC.
101 PINE STREET N.E. Area Code 503 585-6741
SALEM, OREGON 97303

RECEIVED
NOV 5 1969

STATE ENGINEER
SALEM, OREGON

PURCHASE ORDER

TO: State Engineer
Address: 516 Public Service Building
Salem, Oregon 97310

Purchase Order **No** 1221

Date 10/31/69

SHIP TO: CNW

Requested by Neal K. Sande

Address _____

Date Required _____

Please notify if unable to complete order by date specified.

QUANTITY	Please supply items listed below.	Dept.	Proj.	Unit Price	Total
1	water permit		Otter Crest		\$30.00

COMMENTS — TERMS

Application No. 46529 By Neal K. Sande
Permit No. 34974 ORIGINAL

Date _____

46529

December 21, 1970

Condominiums Northwest, Inc.
101 N.E. Pine St.
Salem, Oregon 97301

Gentlemen:

This is to advise you that your application numbered 46529 has been approved by issuance of a permit authorizing the appropriation of 0.125 cubic foot per second for the irrigation of 10 acres, 0.075 cubic foot per second for commercial use, and 0.30 cubic foot per second for domestic use from Johnson Creek.

You may use this letter as your authority to make the appropriation authorized by the permit pending your receipt of the permit. The permit will be mailed to you as soon as the necessary entries have been completed in the records of this office.

Very truly yours,

Larry W. Jebousek
Assistant

LWJ:klc

46529

October 28, 1970

Condominiums Northwest, Inc.
2111 Front Street N.E.
Salem, Oregon 97303

ATTENTION James Greenman

Dear Sir:

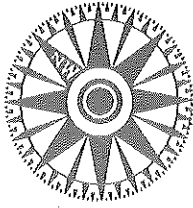
This will acknowledge your authorization to delete reference to the use of 0.5 cubic foot of water per second from Spencer Creek from application 46529.

The application is now in satisfactory form for issuance of a permit for the appropriation of 0.5 cubic foot of water from Johnson Creek.

Very truly yours,

Trevor Jones
Assistant

TJ:reo



CONDOMINIUMS
NORTHWEST, INC.

2111 Front Street N.E.
Salem, Oregon 97303
503 585-6741 Portland: 224-1981

October 27, 1970

RECEIVED
OCT 28 1970
STATE ENGINEER
SALEM OREGON

Mr. Trevor Jones
Assistant State Engineer
Water Resources Department
516 Public Service Building
Salem, Oregon 97310

Dear Mr. Jones:

RE: FILE NO. 46529

Condominiums Northwest hereby authorizes you to delete that portion of the above referenced permit application concerning the 0.5 cfs of Spencer Creek water.

We understand that this deletion will in no way affect the status and eventual issuance of a permit for 0.5 cfs of water from Johnson Creek, this permit application being a part of the same file.

Very sincerely yours,

CONDOMINIUMS NORTHWEST, INC.

James Greenman
Design and Construction

jg/db

46529

October 26, 1970

Condominioms Northwest, Incorporated
101 NE Pine Street
Salem, Oregon 97301

Gnetlemen:

We recently received a letter from the Oregon State Game Commission regarding conversation between your company and the Game Commission over the possible deletion of Spencer Creek as the source of water in your application for a permit to appropriate water.

Is it the intent of Condominums Northwest, Incorporated, to modify the application or request action on the application as it is now prepared? If the latter is the course we should notify the Game Commission to give them an opportunity to file a formal protest against the approval of the application by issuing a permit if they desire to do so.

Very truly yours,

TREVOR JONES
Assistant

TJ:mfb



GAME COMMISSION

OFFICE OF THE DIRECTOR

P.O. BOX 3503 • 1634 S.W. ALDER ST. • PORTLAND, OREGON • 97208 • Ph. 222-9611

TOM McCALL
GOVERNOR

September 22, 1970

COMMISSIONERS

GEORGE L. HIBBARD, Chairman
JOHN P. AMACHER, Vice Chairman
J. PAT METKE, Member
JOSEPH W. SMITH, Member
JAMES W. WHITTAKER, Member

JOHN W. McKEAN
State Game Director

Mr. Chris Wheeler
State Engineer
516 Public Service Building
Salem, Oregon 97310

RECEIVED
SEP 24 1970
STATE ENGINEER
SALEM OREGON

Dear Mr. Wheeler:

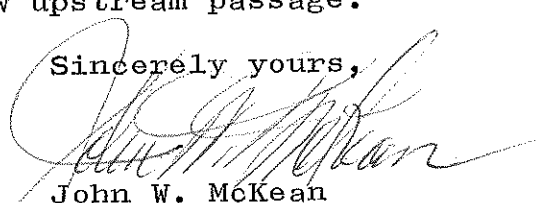
Re: Water right file No. 46529

We have completed our investigation of water right application file No. 46529 by Condominums Northwest, Inc., 11 N. E. Pine Street, Salem, Oregon.

The mean low summer flows (0.1 cfs or less) in Spencer Creek at the proposed diversion site, are not adequate to supply the present existing uses including aquatic life. Condominums Northwest's engineer has indicated that 0.5 cfs from Johnson Creek would probably be adequate to satisfy their water needs without the use of Spencer Creek. Therefore, we recommend that Spencer Creek be deleted from the permit and that the 1.0 cfs requested be satisfied from Johnson Creek.

Any diversion structure constructed must have adequate screening to prevent downstream migrating fish from entering the system and facilities to allow upstream passage.

Sincerely yours,


John W. McKean
Director

cc Condominums Northwest, Inc.
Fish Commission of Oregon

46529

July 29, 1970

John W. McKean
Game Commission
P. O. Box 3503
Portland, Oregon 97208

Dear Mr. McKean:

On December 29, 1969, you requested some additional time to complete an investigation before we issued a permit approving Condominiums, Northwest application for appropriation of water from Johnson Creek and Spencer Creek. On January 8, 1970, you wrote that you would inform us as to the results of the investigation. I think we did withhold action for a reasonable period of time and propose to issue the permit approving this application.

Very truly yours,

Trevor Jones
Assistant

TJ:kle

Ret
~~Ret~~
30



**GAME
COMMISSION**

OFFICE OF THE DIRECTOR

RECEIVED
JAN 9 1970
STATE ENGINEER
SALEM OREGON

P. O. BOX 3503 • 1634 S.W. ALDER ST. • PORTLAND, OREGON • 97208 • Ph. 222-961

TOM McCALL
GOVERNOR

COMMISSIONERS

J. PAT METKE, Chairman
JOSEPH W. SMITH, Vice Chairman
JOHN P. AMACHER, Member
GEORGE L. HIBBARD, Member
JAMES W. WHITTAKER, Member

P. W. SCHNEIDER
State Game Director

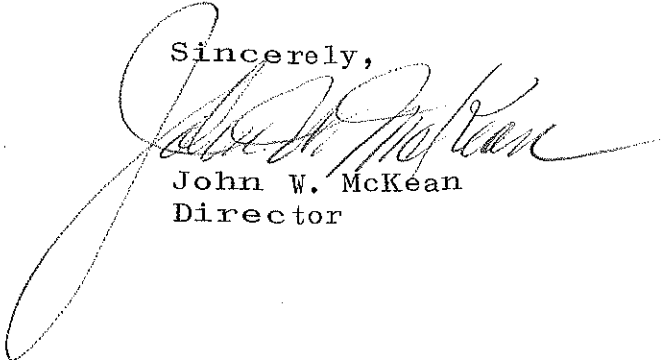
January 8, 1970

Mr. Larry W. Jebousek
Water Resources Department
516 Public Service Building
Salem, Oregon 97310

Dear Mr. Jebousek:

We will inform you of the results of our investigation concerning application No. 46529 in the name of Condominiums, Northwest, Inc. as soon as it is completed.

Sincerely,


John W. McKean
Director



GAME COMMISSION

OFFICE OF THE DIRECTOR

RECEIVED
DEC 30 1969
STATE ENGINEER
SALEM OREGON

P. O. BOX 3503 • 1634 S.W. ALDER ST. • PORTLAND, OREGON • 97208 • Ph. 222-9611

TOM McCALL
GOVERNOR

COMMISSIONERS

J. PAT METKE, Chairman
JOSEPH W. SMITH, Vice Chairman
JOHN P. AMACHER, Member
GEORGE L. HIBBARD, Member
JAMES W. WHITTAKER, Member

P. W. SCHNEIDER
State Game Director

December 29, 1969

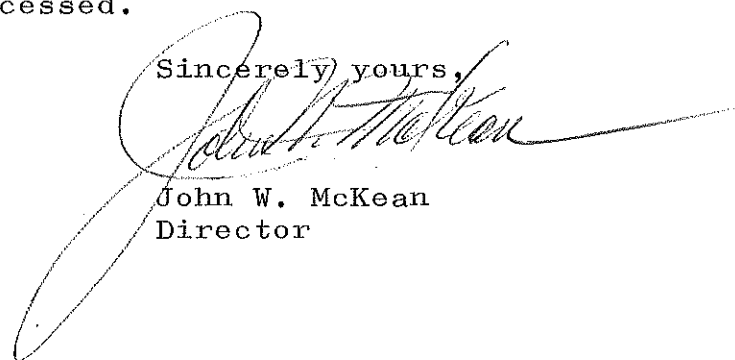
Mr. Chris Wheeler
State Engineer
516 Public Service Building
Salem, Oregon 97310

Dear Mr. Wheeler:

Re: Water right file No. 46529

OK
We are investigating the water right application file No. 46529 Condominiums Northwest, Incorporated, 11 N. E. Pine Street, Salem, Oregon. Our investigation was not complete at the end of the 30-day period normally allotted for this purpose; therefore, it would be appreciated if you can defer issuance of a permit under this application for a reasonable time to permit completion of this investigation. A recent conversation with members of your Water Rights staff indicated that it may be some time before the permit can be processed.

Sincerely yours,


John W. McKean
Director

cc: Schneider
Fortune

RE: 46529

December 3, 1969

Condominiums Northwest, Inc.
101 N. E. Pine Street
Salem, Oregon 97301

Gentlemen:

This will acknowledge your application for a permit to appropriate 1.0 cubic feet of water per second from Johnson Creek and Spencer Creek for the domestic, irrigation, and commercial use being 0.3 cubic feet of water per second for domestic use, 0.125 cubic feet of water per second for irrigation, and 0.075 cubic feet of water per second for commercial use a map, and fees of \$30.00 for which our receipt number 16865 is enclosed.

The application has been filed and numbered 46529 and is in satisfactory form for approval by issuance of a permit.

Very truly yours,

Larry W. Jebousek
Assistant

LWJ:mfm

Enclosure

October 21, 1969

Condominiums Northwest, Inc.
101 N. E. Pine Street
Salem, Oregon 97303

Gentlemen:

This will acknowledge your application for a permit to appropriate 0.5 cubic foot of water per second from Johnson Creek and 0.5 cubic foot of water per second from Spencer Creek for domestic supplies and the irrigation of 10.0 acres and a map.

This application cannot be filed because the required fee of \$30.00 was not submitted.

Domestic use is considered to be the household use of water and may include up to one-half acre of lawn and non-commercial garden. The convention center you describe in the remarks section of the application would be considered a commercial use.

The State Water Resources Board Order of July 12, 1966 has withdrawn Spencer Creek from further appropriation except for domestic, livestock, municipal, the irrigation of lawn and non-commercial garden not to exceed one-half acre in area, power development not to exceed 7.5 theoretical horsepower, recreation, wildlife and fish life uses.

Therefore, the commercial and irrigation uses must be made only from Johnson Creek. Item No. 3 on the application should be amended to include the commercial use and separately specify the quantity of water to be appropriated for each of the three uses from the two sources.

The location of the domestic and commercial uses must be described in item No. 8 on the application by quarter-quarter section.

I am returning your application and map. The map is under separate cover.

Very truly yours,

Larry W. Jebousek
Assistant

LWJ:cdc
Enclosure

Application No. 46529
Permit No.

*APPLICATION FOR PERMIT

To Appropriate the Public Waters of the State of Oregon

I, Condominiums Northwest, Inc. (Name of applicant)
of 101 NE Pine Street Salem
(Mailing address)
State of Oregon, do hereby make application for a permit to appropriate the
following described public waters of the State of Oregon, **SUBJECT TO EXISTING RIGHTS:**

If the applicant is a corporation, give date and place of incorporation May 21, 1968
Salem, Oregon

1. The source of the proposed appropriation is Johnson Creek and Spencer Creek
(Name of stream)
tributaries, & boundary of Pacific Ocean

2. The amount of water which the applicant intends to apply to beneficial use is 1.0
cubic feet per second. 0.5 cfs from Johnson Creek; 0.5 cfs from Spencer Creek
(If water is to be used from more than one source, give quantity from each)

**3. The use to which the water is to be applied is domestic supplies and irrigation
(Irrigation, power, mining, manufacturing, domestic supplies, etc.)

The first point
4. ~~The point~~ of diversion is located 435 ft. S and 1570 ft. W from the NE
(N. or S.) (E. or W.)
corner of Sec. 5 being within the NW 1/4 of the NE 1/4 of Sec. 5, Twp. 10S, R. 11W, W.M.
(Section or subdivision)
In the County of Lincoln. The second point of diversion is located 1435 ft. N. and
1164 ft. E. from the SW corner of Sec. 4 being within the NW 1/4 of the SW 1/4 of Sec. 4,
Twp. 10S, R. 11W, W.M. In the County of Lincoln. The second point is the same point
(If preferable, give distance and bearing to section corner)
described in application No. 42149.
(If there is more than one point of diversion, each must be described. Use separate sheet if necessary)

~~being within the~~
(Give smallest legal subdivision) 87S2E Tp.
(N. or S.)
R.
(E. or W.) W.M., in the county of

5. The pipeline (Main ditch, canal or pipe line) to be 13,100 feet
(Miles or feet)
in length, terminating in the NW 1/4 of the NE 1/4 of Sec. 32, Tp. 9 S
(Smallest legal subdivision) (N. or S.)
R. 11 W, W. M., the proposed location being shown throughout on the accompanying map.
(E. or W.)

DESCRIPTION OF WORKS

Diversion Works— (Johnson Creek)

6. (a) Height of dam 4 feet, length on top 30 feet, length at bottom
25 feet; material to be used and character of construction concrete
(Loose rock, concrete, masonry,
spillway over dam
rock and brush, timber crib, etc., wasteway over or around dam)

(b) Description of headgate
(Timber, concrete, etc., number and size of openings)

(c) If water is to be pumped give general description one-450 GPM pump, 75 HP motor, 400'
(Size and type of pump)
total head, located near the first point of diversion; and one-250 GPM pump, 25 HP motor,
(Size and type of engine or motor to be used, total head water is to be lifted, etc.)
250' total head, located near the second point of diversion.

*A different form of application is provided where storage works are contemplated.

**Application for permits to appropriate water for the generation of electricity, with the exception of municipalities, must be made to the Hydroelectric Commission. Either of the above forms may be secured, without cost, together with instructions by addressing the State Engineer, Salem, Oregon.

7. (a) Give dimensions at each point of canal where materially changed in size, stating miles from headgate. At headgate: width on top (at water line) feet; bottom feet; depth of water feet; grade feet fall per one thousand feet.

(c) Length of pipe, 13,100 ft.; size at intake, Spencer Creek 6"
from intake Johnson Creek 4", size at 200 ft.
intake 6 in.; size at place of use 6 in.; difference in elevation between
intake and place of use, 250 ft. Is grade uniform? No Estimated capacity,
1.0 sec. ft.

[illegible]

(i) The nature of the mines to be served

10. (a) To supply the city of Recreational development "Inn at Otter Crest"

Lincoln County, having a present population of 25

(Name of)

and an estimated population of 1,500 in 1973.

(b) If for domestic use state number of families to be supplied 400

(Answer questions 11, 12, 13, and 14 in all cases)

11. Estimated cost of proposed works, \$ 275,000 (including distribution system)

12. Construction work will begin on or before 1 October 1970

13. Construction work will be completed on or before 1 October 1972

14. The water will be completely applied to the proposed use on or before 1 October 1973

X WEST SHORE LAND CO.

(Signature of applicant)

President

Remarks: The proposed development will include 150 single-family houses, 250
apartment units, a 600 seat restaurant, convention facilities, and cocktail
lounges.

STATE OF OREGON, }
County of Marion, } ss.

This is to certify that I have examined the foregoing application, together with the accompanying
maps and data, and return the same for

In order to retain its priority, this application must be returned to the State Engineer, with correc-
tions on or before, 19.....

WITNESS my hand this day of, 19.....

STATE ENGINEER

By

ASSISTANT

Trev
Jim Greenman

46529

Delete Spencer Cr.

10-27-70
Phoned 11:50 A.M.

Stated they would
Delete Spencer Cr.,
& wanted to know what
the procedure would be.
I told him to write a
letter of authorization to
make what changes
he wished.

m.f.

KEEP IN FILE
46529

RECEIVED

AUG 28 1992

WATER RESOURCES DEPT.
SALEM, OREGON

THE INN AT OTTER CREST

DECLARATION TO SUBMIT PROPERTY TO
PROVISIONS OF ORS 91.505 TO 91.675

THIS DECLARATION, pursuant to the provisions of ORS 91.505 to 91.675, is made and executed this 4th day of May, 1972, by CONDOMINIUMS NORTHWEST, INC., an Oregon corporation, hereinafter called "Declarant," pursuant to the provisions of the Unit Ownership Act of Oregon,

WITNESSETH:

THAT, WHEREAS, Declarant is the owner of a leasehold for a term ending on December 31, 2036, in certain real property located in Lincoln County, Oregon, and described in Exhibit R attached hereto and hereby made a part hereof; and

WHEREAS, Declarant has constructed upon the aforesaid premises, certain condominium resort hotel buildings, units and other improvements; and

WHEREAS, Declarant intends to divide said buildings and improvements, together with the leasehold estate aforesaid, into condominium units under the terms and provisions of the Unit Ownership Act of Oregon, ORS 91.505 to 91.675, and to convey the same to various purchasers, subject to the covenants, conditions, and restrictions herein reserved to be kept and observed; and

WHEREAS, together herewith, Declarant hereby files for record in the office of the recording officer of Lincoln County, Oregon, the site plan of said real property and the floor plans of the buildings already constructed and

described in this Declaration, showing the site of each building, the layout of each unit in a building, the location and dimensions of each unit, and also showing the types of units available, there being attached to said floor plans a statement of the registered architect who prepared the floor plans certifying that said plans fully and accurately depict the layout of the site and the layout of the units and floors of the buildings; and

WHEREAS, Declarant desires and intends by filing this Declaration and the aforesaid site and floor plans to submit the above described leasehold estate, the condominium apartment buildings, and the other improvements constructed thereon, together with all the appurtenances thereunto belonging, to the provisions of the aforesaid Unit Ownership Act as a condominium project and to impose upon said leasehold estate, buildings and improvements mutually beneficial restrictions under a general plan of improvement for the benefit of said condominium units and the owners thereof; now, therefore,

DECLARANT HEREBY PUBLISHES AND DECLARES that the leasehold estate above described, together with said buildings and improvements, is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said leasehold and the division thereof into condominium units, and shall be deemed to run with said leasehold and be a burden and a benefit to Declarant, its successors and assigns, and any

person acquiring or owning an interest in said leasehold estate and improvement, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. Definitions. Certain terms as used in this Declaration are defined in ORS 91.505, and other terms used herein are defined as follows, unless the context clearly indicates a different meaning therefor:

(A) "Declarant" shall mean CONDOMINIUMS NORTHWEST, INC., an Oregon corporation;

(B) "Declaration" shall mean this instrument;

(C) "Project" shall mean the "property" as defined in ORS 91.505 (10);

(D) "Condominium" shall mean the entire estate in the leasehold land owned by any owner, consisting of an undivided interest in the leasehold estate, in the general common elements, and the attributable limited common elements and the ownership of a separate interest in a unit;

(E) "Owner" shall mean any person, natural or artificial, or any group of persons, with an ownership interest in a condominium in the Project, including the Declarant with respect to any unsold units;

(F) "Board of Directors" shall mean the Board of Directors of the Association of Unit Owners;

(G) "Mortgage" shall mean a deed of trust as well as a mortgage;

(H) "Mortgagee" shall mean a beneficiary under, or holder of, a deed of trust, as well as a mortgagee; and

(I) "Association of Unit Owners" shall mean the Association of Unit Owners of The Inn at Otter Crest formed

pursuant to ORS 91.505 et seq.

2. Land Description. The description of the land subject to this Declaration is as follows:

A leasehold estate ending December 31, 2036, in the real property set forth and described in Exhibit R, attached hereto, and hereby made a part hereof.

3. Name. The name by which the Project shall be known is The Inn at Otter Crest.

4. Unit Description and Designation. Each unit is bounded by the undecorated interior surfaces of its perimeter walls, ceilings and floors. Ownership of each unit also includes its respective undivided interest in the general common areas as shown in Exhibit C, and the percentage of interest in the limited common elements appurtenant to the building wherein the unit is housed as shown in Exhibit B. There are five types of units available, each containing one or more bedrooms. The units are housed in buildings constructed primarily of wood and containing a varying number of units per building. There are service closet units in each building, the ownership of which will be maintained by the developer. Drawings showing the unit designation and location of each unit, the floor plans, the area of each unit, the elevations and any other data necessary to properly identify each unit are set forth in Exhibit A filed as a part of this declaration.

5. Staged Development. Declarant may develop residential units in addition to the 140 such units declared in this instrument. If so, the units will be developed together in Phase II. The additional units would be constructed in three buildings with four units in each building, making

twelve the maximum number of units in Phase II. Declarant will decide whether to proceed with Phase II by December 31, 1973. A chart showing the percentage interest in the common elements of each original unit owner if declarant proceeds with Phase II is set forth in Exhibit D.

6. General Common Elements. The general common elements of the condominium include the roadways and pathways, the walkways between units and between buildings, the stairway going to the beach, a tramway system, parking lot, transportation carts, lawns, gardens and terraces between buildings, guest laundry facilities and a room that houses the facilities, water and sewage lines except to the extent the same are declared as limited common elements or included within the condominium units, a swimming pool and sauna baths and all equipment necessary for maintenance and operation thereof including the building that houses them, tennis courts, a putting green, a maintenance room, personal property acquired by the Association of Unit Owners, the lessee's interest in and to that certain lease between West Shore Land Company., Oregon Limited., Condominium Land Company., and Condominiums Northwest, Inc., dated February 23, 1971, and recorded in book 24, page 92, Records of Lincoln County, Oregon, and all other real and personal property, not privately owned and excluding limited common elements as hereinafter defined, necessary or convenient to the existence and safety of the property, or real and personal property normally in common use by the unit owners.

7. Limited Common Elements. The limited common elements are those common elements designated herein as reserved for the use and ownership of the owners of a certain unit or number of units within a building, to the exclusion of all

other units, and consisting of all of those elements and components of each building not otherwise included in the units, including, but not limited to the foundations, columns, girders, beams, supports, main walls, roofs, staircases, installations of central services such as electricity, water, sewage, telephone and television wiring and electrical wiring and conduit, excepting those portions of the foregoing which are included within the condominium units, and all other elements of the building necessary or convenient to its existence, maintenance, and safety, or normally in common use by the unit owners of the units contained in the individual building. The use of the limited common elements by an owner is restricted to those limited common elements that are part of the building that houses his condominium unit. A statement showing to which units and in what percentage use and ownership of limited common elements in each building is reserved is set forth in Exhibit B attached hereto and hereby made a part hereof.

8. Limitation on Use. The use for which each building and each of the units is intended and limited is as follows:

(A) No owner shall occupy or use his unit, or permit the same or any part thereof to be occupied or used for any purpose other than a private residence for the owner, the owner's family, and his guests; except that each owner shall be permitted to cause his unit, or any part thereof, to be rented as a commercial hotel unit during periods when the owner shall not be in occupancy thereof under a hotel agency and operating agreement signed individually by a majority of the owners. No unit may be occupied as a temporary or permanent residence by more than the

maximum number of persons specified for that type of unit in the Bylaws of the Association of Unit Owners. An exception to this limitation is that appropriate units retained by declarant may be used for restaurants, bars, meeting rooms, and other commercial facilities normally or reasonably used at resort hotels;

(B) There shall be no obstruction of the common areas. Except in the case of designated storage areas, nothing shall be stored in the common areas without the manager's prior consent, and such consent may be restricted by the hotel rental agent;

(C) Nothing shall be done or kept in any unit or in the common areas which will increase the rate of insurance on the common areas, without the manager's prior written consent. No owner shall permit anything to be done or kept in his unit or in the common areas which will result in cancellation of insurance on any unit or any part of the common areas, or which will be in violation of any law. No waste will be committed in the common areas;

(D) No sign of any kind except signs of reasonable dimensions and conforming with the rules and regulations adopted by the Association of Unit Owners shall be displayed to public view on or from any unit or the common areas, without the manager's prior written consent, his consent and the display of any signs to be restricted in accordance with the terms of the hotel agency agreement;

(E) No animals, livestock or poultry shall be raised, bred, or kept in any unit or in the common areas, except that dogs, cats, and other household pets may be kept in units, subject to rules and regulations adopted

by the Association of Unit Owners.

(F) No noxious or offensive activity shall be carried on in any unit or in the common areas, nor shall anything be done therein which may be or become an annoyance or nuisance to the other owners;

(G) Nothing shall be altered or constructed in, or removed from, the common areas, except upon the written consent of the manager;

(H) There shall be no violation of the rules for the use of the common areas adopted by the Board of Directors and furnished in writing to the owners, and the Board of Directors is authorized to adopt such rules, subject to the terms and provisions of the hotel agency arrangement;

(I) None of the rights and obligations of the owners created herein or by the deed creating the condominiums shall be altered in any way by encroachment due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance for said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of an owner, or owners, if said encroachment occurred due to the willful conduct of said owner, or owners.

(J) Declarant reserves the right to use any unit whose ownership it retains, as well as a reasonable part of the common area, for the reselling of residential units. This is being done to better serve those owners who may desire to sell their units.

9. Service of Process. The name of the person to receive service of process in the cases provided in sub-

section (1) of ORS 91.635 is Dennis D. O'Brien, and his place of business with Lincoln County, Oregon, is The Inn at Otter Crest, Otter Rock, Oregon. The person to receive service of process may be changed, from time to time, by an action of the Board of Directors, a copy of which action certified by the chairman of the Board of Directors shall be filed with the recording officer of Lincoln County.

10. Powers of Board of Directors. The Board of Directors shall have the exclusive right to contract for all insurance upon the common areas and for all goods and services necessary for the repair, maintenance, and improvements of all common areas and shall have the power to assess the unit owners on account thereof in the manner provided in the Bylaws of the Association of Unit Owners. One of the items of common expense for which the Board of Directors shall assess the unit owners is the monthly charge necessary to maintain the lease of the real property from West Shore Land Co., Oreg. Ltd., an Oregon limited partnership, in full force and effect. In allocating this common expense, the Board of Directors shall assess each unit owner a monthly charge based on the type of his unit as computed in said lease agreement. Until the first meeting of the Board of Directors, Declarant shall exercise all the powers of said Board of Directors, and shall have the power and authority to contract for said insurance, goods, and services on behalf of the Association of Unit Owners for terms extending to, or beyond, the first meeting of said Board of Directors; provided, however, that such insurance, goods, and services shall not be contracted for a period in excess of one year or such period in excess thereof that normally would be contracted for by a prudent

property owner, so long as it shall have reasonable termination rights.

11. Improvement of Common Areas. The Board of Directors shall not make any structural alterations, capital additions to, or capital improvements of, the common areas requiring an expenditure in any one (1) year in excess of eight thousand dollars (\$8,000.00) without the prior approval of owners holding not less than a seventy-five percent (75%) majority percentage interest in the Project.

12. Manager. The Board of Directors shall appoint a manager as contemplated in the Unit Ownership Act and may delegate to such manager any of its powers, duties, or functions. Any such delegation shall be revocable upon written notice by the Board of Directors. The members of the Board of Directors shall not be liable for any omission or improper exercise by the manager of any powers, duties or functions unless such act or omission be approved or directed by written instrument executed by the chairman of the Board of Directors pursuant to a majority vote of the Board of Directors.

13. Owners' Obligation to Repair. Except for those portions which the Board of Directors is required to maintain and repair hereunder (if any), each owner shall, at the owner's expense, keep the interior of 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, painting, and varnishing which at any time may be necessary to maintain the good appearance and condition of his unit. In addition to decorating and keeping the interior of the unit in good repair, the owner

shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, refrigerators, dishwashers, disposals, ranges, or other equipment that may be in, or connected with his unit as a part thereof.

The owner shall also, at the owner's expense, keep the balcony or lanai and storage area that are a part of his unit in a clean and sanitary condition. The Board of Directors and manager shall not be responsible to the owner for loss or damage by theft, or otherwise, of articles which may be stored by the owner at or in the balcony or lanai, storage area, parking stall, or unit.

14. Failure of Board of Directors to Insist on Strict Performance. The failure of the Board of Directors or manager to insist, in any one or more instances, upon strict performance of any of the terms, covenants, conditions, or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition, or restriction, but such term, covenant, condition, or restriction shall remain in full force and effect. The receipt by the Board of Directors or manager of any charge from any unit owner with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach and no waiver by the Board of Directors or manager of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board of Directors or manager.

15. Limitation of Liability. The Board of Directors and manager, and each thereof, shall not be liable for any

failure of electric or water supply or sewer, telephone or other service to be obtained and paid for by the Board of Directors hereunder, or for any injury or damage to person or property caused by the elements or by another owner or person in the Project, or damage from electricity, water, rain, or snow or ice which may leak or flow from outside or from any part of any building, or from any of its pipes, drains, conduits, appliances, or equipment or from any other place, unless caused by gross negligence of the Board of Directors or the manager, as the case may be. No diminution or abatement of common expense assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common areas or from any action taken to comply with any law, ordinance or orders of a governmental authority.

16. Indemnification of Directors. Each director and the manager shall be indemnified by the owners against all expenses and liabilities, including attorneys' fees, reasonably incurred or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being, or having been, a director or manager, or any settlement thereof, whether or not he is a director or manager at the time such expenses are incurred, except in such case wherein the director or manager is adjudged guilty of willful nonfeasance, misfeasance or malfeasance in the performance of his duties; provided that, in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement as

being for the best interest of the Association of Unit Owners and the Board of Directors.

17. Insurance. The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in the amounts hereinafter provided, and including insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design and use, which insurance shall be governed by the provisions in this numbered section.

(A) For the benefit of the Association and the owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance:

i. A master policy, or subscription policies, of fire insurance, with endorsements providing extended coverage, vandalism coverage, special extended coverage, and earthquake coverage, for at least 90% of the insurable replacement value of all units and common areas, and such other fire and casualty insurance as the Board of Directors shall determine to give substantially equal or greater protection to the owners, and their mortgagees, as their respective interests appear, which said policy, or policies, shall provide for a separate loss payable endorsement in favor of the mortgagee, or mortgagees, of each condominium, if any;

ii. A master policy, or subscription policies, insuring the Association, its Board of Directors, the unit owners, and the manager against any liability to the public and/or the owners of units and their invitees or tenants,

occurring in, on, or about ~~said units and said common elements~~, or either thereof, arising out of, or incident to, the ownership or any use of the Project, and including the personal liability exposure of the owners. Limits of liability under such insurance shall be not less than one hundred thousand dollars (\$100,000) per person and three hundred thousand dollars (\$300,000) for all persons injured in any one accident, and shall not be less than one hundred thousand dollars (\$100,000) for property damage in each occurrence (such limits and coverage to be reviewed at least annually by the Board of Directors and to be increased in its discretion). In addition thereto, the directors shall maintain an Umbrella Liability policy of \$1,000,000 insuring against the same risks. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsements wherein the rights of name insureds under the policy, or policies, shall not be prejudiced as respects his, her, or their action against another named insured;

iii. Workmen's compensation insurance to the extent necessary to comply with any applicable laws;

iv. A fidelity bond naming the manager, and such other person as may be designated by the Board of Directors as principals and the Association and the owners as obligees, for the first year in the amount at least equal to fifty percent (50%) of the estimated cash requirement for that year as determined by the Board of Directors, and for each year thereafter in an amount at least equal to fifty percent (50%) of total sum collected through the common expense fund during the

preceding year.

(B) All policies shall be written in a company licensed to do business in Oregon and holding a financial rating of "AAA", or better, by Best's Insurance Reports;

(C) Exclusive authority to adjust losses under policies hereafter in force on the Project shall be vested in the Board of Directors, or its authorized representative acting on behalf of all insureds, including the individual unit owners;

(D) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual owners or their mortgagees;

(E) Each owner may obtain additional insurance at his own expense; provided, however, that no owner shall be entitled to exercise his right to maintain insurance coverage in such way as to decrease the amount which the Board of Directors, in behalf of all the owners, may realize under any insurance policy which the Board of Directors may have in force on the Project at any particular time;

(F) Each owner must notify the Board of Directors when he makes any improvements to his unit, the value of which improvements is in excess of one thousand dollars (\$1,000);

(G) Any owner who obtains individual insurance policies covering any portion of the Project, other than personal property belonging to such owner, shall file a copy of such individual policy, or policies, with the Board of Directors within thirty (30) days after purchase of such insurance;

(H) The Board of Directors must make every effort

to secure insurance policies that will provide for the following:

i. A waiver of subrogation by the insurer as to any claims against the Board of Directors, the manager, the unit owners and their respective servants and agents;

ii. A provision that the master policy on the Project cannot be cancelled, invalidated or suspended on account of the conduct of any unit owner, the Board of Directors, any officer or employee of the Board of Directors, or the manager without demand in writing 30 days prior to such cancellation, invalidation or suspension that the Board of Directors or manager cure the defect and the failure thereof to do so within such period;

iii. A provision that any "no other insurance" clause in the master policy exclude individual owners' policies from consideration;

iv. A provision that the insurer issue certificates of insurance specifying the portion of the master policy earmarked for each owner's interest and that until the insurer furnishes written notice and a grace period of 30 days to the mortgagee insured under the loss payable clause thereof, the mortgagee's coverage is neither jeopardized by the conduct of the unit mortgagor-owner, the association, or other unit owners nor cancelled for non-payment of premiums;

v. A rider on the master policy which will provide each unit owner relief from monthly assessments while his unit is uninhabitable by the payment of the condominium expenses thereof and any other fixed costs, including, but without being limited to, taxes, land rent, insurance, and mortgage payments.

(I) At least annually, the Board of Directors shall review all insurance carried by the Association of Unit Owners and such review shall include an appraisal of all improvements to the Project by a representative of the insurance carrier writing the master policy.

18. Damage and Destruction. In case of fire, casualty or any other disaster, the insurance proceeds of the master policy and the individual owner's policies, if sufficient to reconstruct the buildings damaged or destroyed, shall be applied to such reconstruction. Reconstruction of the damaged or destroyed buildings, as used in this paragraph, means restoring the buildings to substantially the same condition in which they existed prior to the fire, casualty or disaster, with each unit and the common areas having the same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished under the direction of the manager of the Board of Directors.

If the insurance proceeds are insufficient to reconstruct the damaged or destroyed buildings, the damage to, or destruction of, such buildings shall be promptly repaired and restored by the manager or the Board of Directors, using the proceeds of insurance, if any, on such buildings for that purpose and the unit owners shall be liable for assessment for any deficiency, such deficiency to take into consideration as the owner's contribution any individual policy insurance proceeds provided by such owner. However, if three-fourths, or more, in value of all the buildings are destroyed or substantially damaged and if the owners, by vote of at least three-fourths of the voting power, do not voluntarily,

within sixty (60) days after such destruction or damage, make provision for reconstruction, the manager or Board of Directors shall record, with the County Recorder, a notice setting forth such facts and upon the recording of such notice:

(A) The Project shall be deemed to be owned in common by the owners;

(B) The undivided interest in the Project owned in common which shall appertain to each owner shall be the percentage of undivided interest previously owned by such owner in the common areas;

(C) Any liens affecting any of the condominiums shall be deemed to be transferred in accordance with the existing priorities to the undivided interests of the owners in the Project; and

(D) The Project shall be subject to an action for partition at the suit of any owner, in which the net proceeds of sale, together with the net proceeds of the master policy of insurance on the Project, if any, shall be considered as one fund and shall be divided among all the owners in a percentage equal to the percentage of undivided interest owned by each owner in the general common areas, after first paying out of the respective shares of the owners, to the extent sufficient for the purpose, all liens on the undivided interest in the Project owned by each owner.

Notwithstanding all other provisions hereof, the owners may, by an affirmative vote of all owners affected thereby, cause an amendment to be made to the Project documents so as to facilitate architectural changes that the

owners affected thereby and the Association deem desirable if, and only if, the partial or total destruction of the Project, or any buildings thereof, by fire, casualty, or any other disaster is so great as to require the substantial reconstruction of the whole of said Project, or said buildings. Any such amendment of such Project documents shall be valid only upon (1) the recording thereof with the recording officer of Lincoln County and (2) the recording with that recording officer of the approval thereof of each mortgagee and each other lienholder of record having a lien against any part of the Project, or building, affected by such amendment.

19. Enforcement. Each owner shall comply strictly with the provisions of this Declaration and with the Bylaws of the Association of Unit Owners and rules and regulations promulgated pursuant thereto, as the same shall be lawfully amended from time to time. Failure so to comply shall be grounds for an action to recover sums due for damages, or for injunctive relief, or both, maintainable by the Board of Directors or the manager on behalf of the owners, or in a proper case, by an aggrieved owner.

20. Personal Property. The Board of Directors or the manager may acquire and hold, for the benefit of the unit owners, tangible and intangible personal property and may dispose of the same by sale or otherwise; and the beneficial interest in such personal property shall be owned by the owners in the same proportion as their respective interests in the general common areas, and shall not be transferable except with a transfer of a condominium. A transfer of a condominium shall transfer ownership

of the transferor's beneficial interest in such personal property to the transferee.

Within ninety (90) days following the completion of construction of the Project, Declarant shall execute and deliver a bill of sale to the Board of Directors of the Association, on behalf of all the owners, transferring all items of personal property located on the Project and furnished by Declarant, which property is intended for the owners' common use and enjoyment.

21. Reserves. The Board of Directors, in its discretion, may establish such reserves as good business judgment warrants for the repair, improvement, or other needed expenditures of the Association of Unit Owners. To fund such reserves, the Board of Directors, in its discretion, may include the reserve fund as an expense in any assessment made against the unit owners. All such reserves shall be held by the Board of Directors in trust for the unit owners as their contribution thereto shall appear, and shall not become the funds of the Association until the expenditure for which such reserve is created has become due and payable.

22. Overassessment. At the end of each fiscal year of the Association, the Board of Directors shall cause to be repaid promptly to each owner any amount by which his assessment during such fiscal year shall have exceeded the amount necessary to conduct the business of the Association during said fiscal year and shall collect promptly from each owner any amount by which his assessments during said fiscal year shall have been less than his aliquot share of said expenses of the Association.

Such repayments shall not include any sums held as reserves which sums shall then be, and thereafter until expended shall continue to be, the property of the individual unit owners. *

23. Legal and Accounting Services and Audit. The Board of Directors, or the manager, from time to time, shall contract for the services of lawyers and certified public accountants as the needs of the Association shall demand. At any time any owner may, at his own expense, cause an audit or inspection to be made of the books and records of the manager and of the Board of Directors. The Board of Directors, at the expense of the Association, shall obtain an audit of all books and records pertaining to the Association of Unit Owners at no greater than annual intervals and furnish copies thereof to the owners.

24. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium Project. Failure to enforce any provision hereof shall not constitute a waiver of the right thereafter to enforce that provision or any other provision hereof.

25. Amendment. Except as otherwise provided herein, the provisions of this Declaration may be amended by an instrument in writing signed and acknowledged by record owners holding seventy-five percent (75%), of the total vote hereunder, which amendment shall be effective on recordation in the office of the recording officer of Lincoln County, Oregon. At any time prior to the transfer of possession and ownership of any unit to its owner,

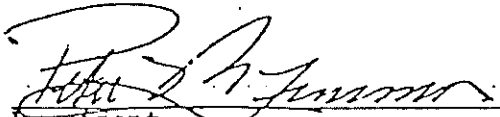
Declarant shall have, and hereby reserves, the right to amend, alter, or withdraw this Declaration in whole or in part. Declarant's withdrawal of this Declaration in full shall relieve said leasehold of its submission to unit ownership.

26. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

27. Effective Date. This Declaration shall take effect upon recording.

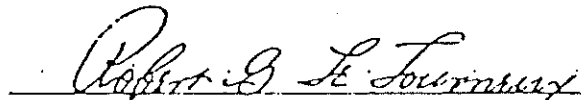
IN WITNESS WHEREOF, Declarant has caused its corporate name to be hereunto subscribed by its proper officers, thereunto duly authorized, on the day and year first above written.

CONDOMINIUMS NORTHWEST, INC., DECLARANT


President

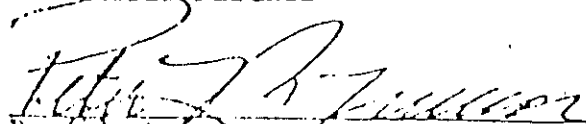
Portland Federal Savings & Loan Association, an Oregon corporation, acting through its Senior, Vice
President, hereby consents to the execution and recording of this declaration.

PORTLAND FEDERAL SAVINGS & LOAN ASSOCIATION


President

West Shore Land Company, Oreg. Ltd., an Oregon limited partnership, acting through the President, PETER M. GUNNAR, of West Shore Investors, Inc., its general partner, hereby consents to the execution and recording of this declaration.

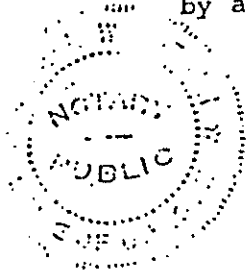
WEST SHORE LAND CO., OREG. LTD.
By West Shore Investors, Inc.
General Partner


President

STATE OF OREGON)
) ss.
County of)

May 4, 1972, 1972

Personally appeared PETER M. GUNNAR, who being sworn, stated that he is the President of CONDOMINIUMS NORTHWEST, INC., and WEST SHORE INVESTORS, INC., and that the foregoing instrument was voluntarily signed in behalf of the corporation by authority of their Boards of Directors. Before me:



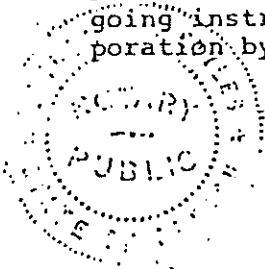
Lowell W. Bergen
Notary Public for Oregon

My commission expires: 2-2-76

STATE OF OREGON)
) ss.
County of Multnomah)

May 9, 1972

Personally appeared Robert G. Le Tourneau, who being sworn, stated that he is the Senior Vice President of PORTLAND FEDERAL SAVINGS & LOAN ASSOCIATION, and that the foregoing instrument was voluntarily signed in behalf of the corporation by authority of its Board of Directors. Before me:



Shirley L. Styles
Notary Public for Oregon

My commission expires: January 20, 1976

Approved this 30 day of May, 1972.

County Assessor, Lincoln County

By James H. Gibson
By Helen Dethert

Approved this 30th day of May, 1972.

Sheriff & Tax Collector
Lincoln County

By Everett H. Hachima, Sheriff
By L. Cragg, Deputy

I hereby certify that, according to the records of my office, the exterior boundaries of this plat do not conflict with the boundaries of the abutting properties; that the name adopted for said plat and the numbering of the lots and blocks conform to the requirements of the law; and that pursuant to ORS 92.095, all advalorem taxes and all special assessments, fees and other charges required by law to be placed on the 1973-1974 tax roll which become a lien on this subdivision or will become a lien during collection, have been paid to me, or, if not paid, a bond guaranteeing such payment has been requested in the amount of \$ _____, to be filed with the tax collector pursuant to ORS 92.095.

Date: 5-2-72Signed: W. L. Pratt

Draftsman

Date: 5-30-72Signed: Allen Hillitt

Assessor or Deputy

Lincoln County, Oregon

I hereby certify that all advalorem taxes and all special assessments, fees and other charges required by law to be placed upon the tax roll which have become a lien on this subdivision and that are now due and payable have been paid. I further certify (if applicable) that a good and sufficient bond as requested by the assessor in the amount of \$ _____ has been received by me, guaranteeing the payment of the 19__ - 19__ taxes, pursuant to ORS 92.095.

Date: May 30, 1972Signed: E. H. HackemaTax Collector or Deputy
Lincoln County, Oregon

9-11-29 CD - 100 - 1.27 Ac. 403 - 2125 Ac. C. L. 10.
Acc't # (s) 9-11-72 - Mf 402 & 404 .48 Ac. .51 Ac. 6.00 - .52 Ac. 403 - 1270 Ac. C. L. 11

Plat Name

The Doe At (Plat) Prec
(Condo)