



Real Estate Agency

CONDOMINIUM DISCLOSURE STATEMENT

FOR

COLUMBIA POINT CONDOMINIUMS
(A PROPOSED CONDOMINIUM)

DECLARANT

COLUMBIA POINT LLC
1882 SW HAWTHORNE TERRACE
PORTLAND OR 97201

THIS CONDOMINIUM HAS BEEN FILED WITH THE REAL ESTATE COMMISSIONER OF THE STATE OF OREGON IN ACCORDANCE WITH THE OREGON CONDOMINIUM ACT (ORS 100.005 TO 100.910 AND 100.990). ISSUANCE OF THE ATTACHED DISCLOSURE STATEMENT DOES NOT CONSTITUTE A RECOMMENDATION OR ENDORSEMENT OF THE CONDOMINIUM BY THE COMMISSIONER.

THE SIZE OF THE INDIVIDUAL UNIT, THE DRAINAGE, SANITATION, DOMESTIC WATER SUPPLIES, IMPROVEMENTS AND THE PHYSICAL DEVELOPMENT AND THE OPERATION OF THE UNIT OWNERS ASSOCIATION OF THE CONDOMINIUM PROJECT ARE NOT REGULATED BY THE REAL ESTATE COMMISSIONER. THIS DISCLOSURE STATEMENT DOES NOT RELIEVE ANY PERSON FROM THE RESPONSIBILITY OF COMPLYING WITH THE REQUIREMENTS OF ANY FEDERAL, STATE, COUNTY OR MUNICIPAL AGENCY WITHIN WHOSE JURISDICTION THE CONDOMINIUM IS LOCATED.

THE REAL ESTATE AGENCY HAS NOT PHYSICALLY INSPECTED THE CONDOMINIUM AND THE INFORMATION INCLUDED IN THIS DISCLOSURE STATEMENT WAS PREPARED BY AND IS A REPRESENTATION OF THE DECLARANT.

THIS DISCLOSURE STATEMENT MUST BE GIVEN TO EACH PURCHASER NOT LATER THAN THE DATE THE UNIT SALES AGREEMENT IS FULLY EXECUTED BY ALL PARTIES AND RECEIPT THEREFORE MUST BE TAKEN.

**PROSPECTIVE PURCHASERS SHOULD READ THIS DISCLOSURE STATEMENT
BEFORE BUYING**

PRESALE DISCLOSURE STATEMENT

A Condominium is a special form of property ownership which is created and governed in Oregon by statutes known as the Oregon Condominium Act (ORS 100.005 to 100.910 and 100.990).

A Condominium is not created until there is a recording of the Declaration of Unit Ownership in the office of the recording officer of the county in which the property is located. A Plat of the property as well as a copy of the Bylaws must be recorded simultaneously with the Declaration.

Special provisions in the Oregon law allow for the sale of Units in a Condominium prior to their legal creation. This is accomplished by the adoption and issuance of a Presale Disclosure Statement by the Real Estate Commissioner and by compliance by the declarant with certain escrow provisions. These escrow provisions provide that purchaser's funds are to be held in escrow until the Declaration has been recorded and the interest bargained for by the purchaser has been conveyed. You should review the terms of the Master Escrow Instructions to fully understand your rights in a presale transaction.

NOTE: All references in this Disclosure Statement to the Condominium and its Declaration, Plat and Bylaws should be understood to be prefaced by the term "proposed" until such time as the required recordation of documents takes place and this Disclosure Statement is revised to reflect that recordation.

CONDOMINIUM DISCLOSURE STATEMENT FOR COLUMBIA POINT CONDOMINIUMS

This Disclosure Statement discloses certain pertinent information about Columbia Point Condominiums (the “**Condominium**”), located at 233 N. Hayden Bay Drive, in the City of Portland, Multnomah County, Oregon. This Disclosure Statement has been prepared by COLUMBIA POINT, LLC (the “**Developer**”). Developer’s telephone number is (503) 694-6610 and its address is 1882 SW Hawthorne Terrace, Portland, OR 97201.

On the date this Disclosure Statement was issued, Developer had prepared and submitted to the Oregon Real Estate Agency a proposed form of Declaration Submitting each stage of Columbia Point Condominiums to Condominium Ownership and a proposed form of Bylaws of Association of Unit Owners of Columbia Point Condominiums. Developer will record in the Deed Records of Multnomah County, Oregon, final Declarations Submitting each stage of Columbia Point Condominiums to Condominium Ownership and a final Bylaws of Association of Unit Owners of Columbia Point Condominiums. The proposed or final Declarations Submitting each stage of Columbia Point Condominiums to Condominium Ownership are collectively referred to in this Disclosure Statement as the “**Declaration**,” and the proposed or final Bylaws of Association of Unit Owners of Columbia Point Condominiums is referred to in this Disclosure Statement as the “**Bylaws**.”

General Description of Condominium

Developer intends to develop the Condominium in stages. Stage 1 contains 2 buildings of dwelling units, each of which contains 2 stories and a mezzanine level, without basement. The buildings are of wood frame construction with lap cedar siding and tile roofs. Stage 1 consists of 29 Living Units, including 18 one-bedroom units and 11 two-bedroom units, and 105 Parking Units, for a total of 134 Units. Future stages may contain up to three buildings containing up to 50 additional dwelling units.

Developer is offering a fee simple ownership interest in a unit to the prospective purchaser. The owner of a unit also receives an undivided interest, in common with other unit owners, in the “common elements” as described in Article 5 of the Declaration. Each Parking Unit will be entitled to a .0001 percent undivided ownership in the common elements of the Condominium. The remainder of the percentage interests in the common elements is allocated among the Living Units in accordance with the ratio by which the approximate area of the particular Living Unit bears to the total approximate area of all Living Units combined. In addition, each unit owner also receives the exclusive right to use those “limited common elements” which pertain to his unit. The limited common elements include the patios and decks which adjoin the units. See Article 6 of the Declaration.

The project was built in 1984.

Water and sewer service is provided by the City of Portland. Electricity is furnished by Portland General Electric, and telephone service is provided by US West. Natural gas service is available from NW Natural. Cable television service is available from TCI. Prospective purchasers may contact these providers for further information on current rates and charges. Access to the project is over a private street. Local services such as fire and police protection, schools, medical facilities and shopping facilities are available in the City of Portland.

Conversion Condominium

Attached to this Disclosure Statement is a report from Ludlow & Associates concerning the present condition of all structural components and major mechanical and utility installations at the Project, including the roofs, siding, plumbing, electrical, heating, asphalt, sidewalks and decks, including the approximate dates of construction or installation and a reasonable estimate of the remaining useful life. **The attached report has been prepared by a licensed engineer and is only an estimate prepared in due care and based upon the present ascertainable condition of each item and its customary useful life. The Developer does not warrant that any specific component will, in fact, last for the useful life indicated.**

Because Columbia Point Condominiums is a conversion condominium, Oregon law provides certain rights to tenants. Developer must provide a Notice of Conversion to each tenant in the project. In addition, prior to the sale of any dwelling unit which is to be retained as a unit in the condominium without substantial alteration in its physical layout, Developer must first offer to sell the respective unit to the tenant who occupies the unit. Developer cannot make this offer until at least 30 days after delivery or mailing to the tenant of the Notice of Conversion. Such offer will terminate 60 days after its receipt or upon written rejection of the offer by the tenant, whichever occurs earlier. It must be accompanied by a copy of this Disclosure Statement and may not constitute a notice to terminate the tenancy. The Developer may not sell the unit to a person other than the tenant during the 60 days following termination of the offer at a price or on terms more favorable to the purchaser than the price or terms offered to the tenant. The tenant's dwelling unit may not be shown to any prospective purchaser without the tenant's permission before the termination of the tenancy.

The Declaration creating the condominium may not be recorded until at least 120 days after the Notice of Conversion, during which period an individual apartment unit occupied by a tenant may not be renovated without the tenant's consent. Finally, since the Project is within the City of Portland, by City of Portland ordinance any tenant within HUD Section 8 income levels is entitled to a waiver or refund of the last month's rent if such tenant does not elect to purchase.

Plan of Development

The Developer has reserved the right to develop the Condominium in up to 3 stages, containing not more than 79 Living Units and 105 Parking Units, or a total of not more than 184 units. No additional stage may be added to the Condominium, however, more than 5 years after

the date of recording the Declaration. Such date may be extended for up to two additional years by an amendment adopted pursuant to Section 17.2 of the Declaration. Developer does not propose to include in future stages any common elements which would substantially increase the proportionate amount of the common expenses payable by the owners of units in Stage 1. The allocation of undivided interests in the common elements will change if additional stages are annexed to the Condominium. See Article 15 of the Declaration for further information on the plan of development.

Sales Agreements

The Developer is not offering any financing to prospective purchasers. Within the time specified in the purchase agreement, each purchaser must apply for loan approval by an institutional lender, or if the purchaser plans to pay in cash without obtaining financing, such purchaser must furnish Developer with any credit information requested by the Developer. In the event the purchaser is unable to obtain a loan or satisfy Developer of purchaser's ability to pay by the date specified in the purchase agreement and after diligent efforts to do so, the Unit Sales Agreement will terminate and purchaser's earnest money will be refunded, unless the time for obtaining such credit approval is extended by the parties. See Section 3.2 of the Unit Sales Agreement.

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

At closing, the purchaser will be responsible for the recording fee for the deed, any sales or transfer tax, an initial contribution to the working capital of the Association of Unit Owners equal to two months of Association assessments, the next month's assessment for the unit, a pro rata share of the current month's assessment, purchaser's portion of the escrow fee, and all fees, costs and expenses in connection with purchaser's loan, if any, including the premium for any mortgage's title insurance policy. See Section 4.3 of the Unit Sales Agreement.

If the purchaser should fail to make any deposit or payment required under the Unit Sales Agreement, Developer may declare the purchaser to be in default, and, without prejudice to any other rights of Developer, declare the entire amount paid by the purchaser forfeited to Developer. In the event the purchaser fails to deposit the balance of the purchase price with the escrow agent within the time set forth for closing, Developer may, in lieu of terminating the agreement, require the purchaser to pay to Developer at closing 12 percent per annum of the total purchase price from such date to the date of actual closing. See Section 5.2 of the Unit Sales Agreement.

The units will be sold without warranty. Each purchase agreement will contain the following provision:

NO WARRANTY. Columbia Point Condominiums was constructed in 1984 and thus is not a "newly constructed" condominium. Accordingly, Seller disclaims all warranties and covenants, express or implied, relating to the real estate, consumer products as defined in the Magnuson-Moss Warranty Act, or consumer goods as defined in the Uniform Commercial Code as adopted in Oregon. Purchaser, having had the opportunity to inspect the units and the common elements, accepts all real estate, consumer products and consumer goods sold under this agreement AS IS.

See Section 6 of the Unit Sales Agreement.

Common Expenses, Assessments and Budget

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

The Bylaws specify that all owners are obligated to pay all assessments imposed by the board of directors on behalf of the Association to meet common expenses of the property. Such assessments will be made by the board of directors in accordance with the terms of the Declaration, which provides that the common profits and common expenses of the Condominium will be allocated to the owner of each Living Unit based upon the ratio by which the approximate area of the particular Living Unit bears to the total approximate area of all Living Units combined. See Section 8.1 of the Declaration.

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

NOTICE TO PROSPECTIVE PURCHASERS

THE PROJECTION OF THE BUDGET OF THE ASSOCIATION OF UNIT OWNERS FOR THE OPERATION AND MAINTENANCE AND OTHER COMMON EXPENSES OF THE CONDOMINIUM IS ONLY AN ESTIMATE, PREPARED WITH DUE CARE.

Provisions have been made in the projected budget for a reserve account for replacement of those common elements all or a part of which will normally require replacement in more than three and less than 30 years. The amount of such reserves have been computed by the managing agent on the basis of its experience in other projects. See Section 5.5 of the Bylaws for specific provisions relating to reserves.

Operation and Management of the Condominium

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

As provided in Section 14.1 of the Declaration, upon the recording of the Declaration Developer will organize an Association of Unit Owners to serve as a means through which the unit owners may take action with regard to the administration, management and operation of the Condominium. This Association will be an Oregon nonprofit corporation. As provided in Section 14.2 of the Declaration, each unit owner will be a member of the Association. The affairs of the Association will be governed by a Board of Directors as provided in the Bylaws. Each unit owner will be entitled to one vote for each Living Unit owned by that unit owner. No voting rights are attached to Parking Units. See Section 8.2 of the Declaration.

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

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

Article 7 of the Bylaws sets forth the obligations of the unit owners with respect to the maintenance and use of the units and common elements. In addition, Section 7.5 of the Bylaws sets forth the use and occupancy restrictions, such as limitations on commercial activities in units and restrictions on pets, and establishes the ability of the Board of Directors to adopt additional rules and regulations.

Article 8 of the Bylaws deals with insurance to be carried by the Association, and Article 9 deals with the method of adopting amendments to the Bylaws.

Rights of Developer

Developer has reserved the right to revise or amend the Declaration, Bylaws and Escrow Agreement to the extent reasonable changes may be required by governmental authorities, lenders or title insurance companies. Any other material changes to such documents will require the purchaser's consent. If the purchaser does not consent to the change, Developer may terminate the purchase agreement, in which case the purchaser's earnest money, together with any interest earned on such funds, will be refunded.

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

The Developer will have one vote for each Living Unit owned by the Developer, and will have the right to appoint the Board of Directors of the Association until the first organizational and turnover meeting called by the Developer. See Sections 3.2 and 3.4 of the Bylaws. Developer must call the organizational and turnover meeting within 5 years after the date of the first conveyance of the first unit to a person other than Developer, or within 90 days after Developer has sold and conveyed 75 percent or more of the total number of units in the Condominium, whichever is earlier. See Section 2.2 of the Bylaws. At that meeting, the interim directors will resign and the unit owners will elect 3 directors. See Section 3.4 of the Bylaws.

The Developer's prior written consent is required for any amendment to the Declaration or Bylaws so long as Developer owns 25 percent or more of the Living Units in which Developer may submit to the Condominium, but no such consent is required after 5 years from the date of the conveyance of the first unit to a person other than Developer. See Section 17.2 of the Declaration and Section 9.2 of the Bylaws.

Additional Information

Historically, the decks have leaked from time to time. Developer has examined each deck and has repaired or will repair any such leaking known to it at the closing of each sale, but cannot assure that leaks might not develop in the future. The Association will be responsible for repairing any such future leaks. Purchasers are encouraged to obtain a professional inspection prior to closing. Developer does not plan to do any repairs or upgrades to the Association room, which will be left in its current condition.

Purchasers should also be aware that the Condominium lies within the PDX Noise Zone for the Portland International Airport and may be subject to noise impact resulting from aircraft on the approach and departure routes to and from the airport at levels that some people may consider objectionable.

Until such time, if ever, that all of the additional stages have been annexed to the Condominium, Declarant has reserved (a) a nonexclusive easement for ingress and egress over all roadways and driveways within the Condominium, (b) an easement for the use of all existing utility lines and systems within the Condominium, including without limitation water, sewer, electrical, gas, telephone and cable television systems, and (c) an easement for use of the common element facilities of the Condominium, including, without limitation, the swimming pool area, recreation center, garbage enclosures and mailbox area, provided that Declarant pays a prorata share of the costs of operating and maintaining such easement areas based upon the number of

living units in the additional stages divided by the total number of such living units in the additional stages and the Condominium combined. Such easements are for the benefit of the entire remainder of the additional stages, whether or not such property is annexed to the Condominium.

The Condominium has the benefit of and is subject to a mutual easement permitting use of the Columbia Point West indoor pool and recreation building by the owners and tenants in the Condominium, use of the Condominium outdoor pool and Association room by the owners and tenants in Columbia Point West, and use of 25 of the parking spaces within Columbia Point West, as provided in a recorded mutual easement agreement.

The pathway along the shoreline is subject to a public easement granted to Multnomah County for the purpose of enjoying the Columbia River, including the public's right to walk and bicycle on the pathway. Portions of the buildings encroach onto the pathway easement.

Documents by which Purchasers will be Bound

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

1. Declarations Submitting the various stages of Columbia Point Condominiums to Condominium Ownership. The Declarations contain, among other things, provisions describing the units, the common elements, the rights of mortgagees, easements, and Developer's rights.
2. Bylaws of the Association of Unit Owners of Columbia Point Condominiums. This document contains, among other things, provisions relating to the management, use and operation of the Association and the rights and obligations of the unit owners.
3. Escrow Agreement between Developer and Chicago Title Insurance Company. This document provides for deposit of funds into escrow and outlines a general procedure for the closing of unit sale transactions.
4. Unit Sales Agreement. This document sets forth the rights and obligations of the seller and purchaser and includes a notice to the purchaser of a statutory right to cancel the transaction within five business days.
5. Articles of Incorporation of Association of Unit Owners of Columbia Point Condominiums. This document contains provisions outlining the purpose and powers, membership, voting rights and dissolution of the Association of Unit Owners.
6. Management Agreement between the Association and Excelsior Property Management, which deals with the duties and compensation of the managing agent.
7. Declaration of Mutual Easements for Columbia Point. This document establishes mutual easements among the Condominium, Columbia Point West and Columbia Point Marina.

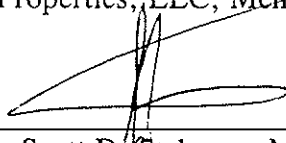
8. In addition, purchasers may be bound by financing instruments, escrow instructions and provisions of the Oregon Condominium Act. Prospective purchasers should also inquire regarding rules and regulations, if any, that may have been adopted since the date of this Disclosure Statement.

DATED: 4/30, 1999.

COLUMBIA POINT, LLC, an Oregon limited liability company

By: S&T Properties, LLC, Member

By



Scott D. Stehman, Member

COLUMBIA POINT CONDOMINIUMS - HOME OWNERS ASSOCIATION BUDGET

	Jan.	Feb.	Mar.	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Annual Expenses
Management													
Professional Management	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$1,185	\$14,220
Extra Management	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Total Management	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235	\$1,235	\$14,820
Administration													
Legal	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Accounting	\$0	\$0	\$0	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500
Miscellaneous	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Total Administration	\$150	\$150	\$150	\$1,650	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$3,300
Insurance													
Fire & Liability Insurance	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$630	\$7,560
Fidelity Bond (D&O Insurance)	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Total Insurance	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$8,760
Utilities													
Water	\$869	\$869	\$869	\$869	\$869	\$869	\$869	\$869	\$869	\$869	\$869	\$869	\$10,428
Sewer	\$1,027	\$1,027	\$1,027	\$1,027	\$1,027	\$1,027	\$1,027	\$1,027	\$1,027	\$1,027	\$1,027	\$1,027	\$12,324
Common Area Electrical	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Natural Gas for Swimming Pool	\$100	\$100	\$0	\$0	\$0	\$350	\$350	\$350	\$350	\$0	\$100	\$100	\$1,800
Garbage	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$825	\$9,900
Cable Television	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$9,240
Total Utilities	\$3,841	\$3,841	\$3,741	\$3,741	\$3,741	\$4,091	\$4,091	\$4,091	\$4,091	\$3,741	\$3,841	\$3,841	\$46,692
Common Area													
Swimming Pool Supplies	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$1,500
Swimming Pool Contract	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$1,500
Shared Use of CPW Facility	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Total Common Area	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$5,400
Repairs & Maintenance													
Landscaping Contract	\$624	\$624	\$624	\$624	\$624	\$624	\$624	\$624	\$624	\$624	\$624	\$624	\$7,488
Landscaping Supplies	\$0	\$0	\$0	\$0	\$250	\$500	\$250	\$250	\$500	\$250	\$0	\$0	\$2,000
Parking Lot Maintenance	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Exterminating	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$900
General Exterior	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
Concrete/Asphalt	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Total Common Area	\$5,850	\$5,850	\$5,850	\$5,850	\$7,100	\$7,850	\$7,850	\$7,850	\$7,100	\$5,850	\$5,850	\$5,850	\$26,588
Reserves for Replacement													
Concrete/Asphalt	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$900
Clean Roofs	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$2,004
Roof	\$156	\$156	\$156	\$156	\$156	\$156	\$156	\$156	\$156	\$156	\$156	\$156	\$1,872
Siding	\$658	\$658	\$658	\$658	\$658	\$658	\$658	\$658	\$658	\$658	\$658	\$658	\$7,896
Exterior Paint	\$607	\$607	\$607	\$607	\$607	\$607	\$607	\$607	\$607	\$607	\$607	\$607	\$7,284
Clean Fireplace Flues	\$66	\$66	\$66	\$66	\$66	\$66	\$66	\$66	\$66	\$66	\$66	\$66	\$792
Total Reserves	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$1,729	\$20,748
EXPENSE TOTAL	\$15,055	\$15,055	\$14,955	\$16,455	\$16,205	\$17,305	\$17,305	\$17,305	\$16,555	\$14,955	\$15,055	\$15,055	\$126,308

LUDLOW & ASSOCIATES

P.O. Box 683
Beaverton, Oregon 97075-0683
(503) 524-5114
(503) 524-4162 (fax)

May 3, 1999

Columbia Point, LLC
c/o Mr. Scott Stehman
855 SW Curry Drive
Wilsonville, Oregon 97070
(503) 694-6610

RE: ARCHITECTURAL & ENGINEERING REPORT

Located at: Columbia Point
123 N Hayden Bay Drive
Portland, Oregon 97217

Dear Mr. Stehman:

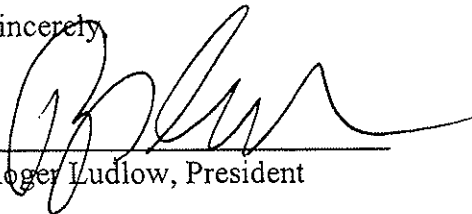
Please find enclosed the Architectural & Engineering Report regarding the above referenced property.

The site survey was conducted on April 13, 1999. The results of the investigation represent a review of current conditions. See the Evaluator's Summary on page 1 for the capital needs over the next 30 years. An update of this report is recommended every 10 years so as to ensure reserves are consistent with maintenance practices as well as future law and code building changes.

The per unit reserve number is \$227.67 based upon 30 years and 79 units. The items that require attention in the near future are listed in section 3.

The attached report concludes our services on this project. If you have any questions, or if I may be of further assistance, please call me at (503) 524-5114.

Sincerely,



Roger Ludlow, President

Attachments, Copies to: Addressee (2)

ARCHITECTURAL & ENGINEERING

REPORT

for

Columbia Point

Located at

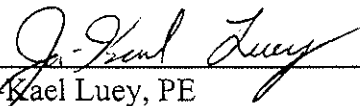
**123 N Hayden Bay Drive
Portland, Oregon 97217**

May 3, 1999

Prepared for:

**Columbia Point, LLC
c/o Mr. Scott Stehman
855 SW Curry Drive
Wilsonville, Oregon 97070**

PN: 99040601



Jaakel Luey, PE
Project Manager
Ludlow & Associates
P.O. Box 683
Beaverton, Oregon 97075-0683

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Columbia Point
 123 N Hayden Bay Drive
 Portland, Oregon

Evaluators Summary
 Physical Needs Over The Term

ITEM	QUANTITY	UNITS	\$/Unit	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6-10	YEAR 11-15	YEAR 16-20	YEAR 21-25	YEAR 26	YEAR 27	YEAR 28	YEAR 29	YEAR 30
SITE																	
ASPHALT SEAL COAT	16,000	sq.ft.	\$0.10					1,600	1,600	1,600	1,600	1,600					1,600
CONCRETE RESTRIPE	104	stalls	\$10.00					1,040	1,040	1,040	1,040	1,040					1,040
STRUCTURAL																	
EXTERIOR PAINT	79	Units	\$225.00						17,775	17,775	17,775	17,775	17,775				
CLEAN ROOFS	5	Bldgs	\$300.00		1,500		1,500		4,500	3,000	4,500	3,000	1,500		1,500		1,500
MECHANICAL / ELECTRICAL NO RESERVES ESTIMATED																	
DWELLING UNITS																	
CLEAN FIREPLACE FLUE	1	Job	\$1,000.00		1,000		1,000		3,000	2,000	3,000	2,000	1,000		1,000		1,000
NON-MAINTENANCE RESERVES																	
REPLACE 25% OF SIDING	5	Bldgs	\$9,000.00							45,000							45,000
REPLACE 25% OF CONCRETE LOT	11,050	sq.ft.	\$5.00							55,250							55,250
REPLACE POOL LINER	1 job		\$10,000.00														10,000
PHYSICAL NEEDS EVALUATION	1 job		\$2,500.00						2,500		2,500						2,500
TOTAL				0	2,500	0	2,500	2,640	30,415	125,665	30,415	25,415	20,275	0	2,500	0	117,890
% INFLATION = 2.5%				100.00%	102.50%	105.06%	107.69%	110.38%					185.39%	190.03%	194.78%	199.65%	204.64%
TOTAL INFLATED				0	2,563	0	2,692	2,914	35,452	174,861	45,382	42,512	37,589	0	4,870	0	241,251
TOTAL UNINFLATED					\$360,215												
TOTAL INFLATED					\$590,085												
UNIT COST UNINFLATED					\$151.99												
UNIT COST INFLATED					\$248.98												
NUMBER OF UNITS					79												
NUMBER OF YEARS					30												

1.1 Scope of Work

The purpose of an Architectural & Engineering Report is to identify and provide cost estimates for the Immediate Physical Needs and Physical Needs over a period of 30 years for the subject property. As part of the process, instances of deferred maintenance are also identified.

The Architectural & Engineering Report is based on the evaluator's judgment of the physical condition of the improvements and the estimated remaining useful life of those improvements. The conclusions presented in this report are based upon the evaluator's judgment and that the actual performance of individual components may vary and will be affected by unforeseen circumstances after the date of the site visit.

1.2 Cost Estimating Methodology

The estimated costs in this report represent estimates based upon the representative review of the units and area noted. Note that the number of units viewed is based upon that requested by the Columbia Point, LLC but was not less than 10% of the total units. In addition, all common areas are surveyed as well as any special circumstances brought to the attention of Ludlow & Associates. Items of deferred maintenance and the effective ages of the building components observed are projected onto the balance of the complex.

When work in progress is observed, said work is noted and assumed for cost estimating purposes to be complete unless said work is deemed unacceptable to Ludlow & Associates either in scope or quality.

In the cases where building plans are not made available, specific cost estimates are based upon the field observations of the site inspector. Where actual costs information for specific items is not available from the property owner or management team, costs are derived from field experience or pertinent reference material.

Except as noted below, conditions requiring action are addressed regardless of whether the action is seen as a capital or operating expense. The purpose of this report is to identify any and all major concerns associated with the subject property that are not considered normal maintenance. If normal maintenance items do not appear to have been properly dealt with, then appropriate comments are made.

1.3 Limitations

This report is prepared solely for the use and benefit of the Columbia Point, LLC and is written in accordance with industry standards for this type of report. All services performed and recommendations given are in accordance with customary principles and practices.

Ludlow & Associates has no control over the cost of labor, materials or equipment furnished or over any bidding process for repairs. Costs are estimated on current industry prevailing wages and on Ludlow & Associates field experience.

This report pertains only to the physical condition of the premises and existing improvements and relate only to those areas that are readily accessible and available for visible observation. This report is further limited to the basic structures of the subject property and does not include an assessment of improvements inside of the apartment units except in cases where items inside the apartment unit may impact the overall structure. No invasive or destructive investigation was performed. No geotechnical services were performed. No representation as to the title, deed, zoning or financing of the subject property is made. No guarantees are made as to the conformance of the subject buildings to local codes or building standards. No structural pest inspection has been made; however, if any is observed it will be duly noted.

Due to the use of unverified third party sources, Ludlow & Associates cannot guarantee the accuracy of all information supplied.

2.0 PROPERTY ASSESSMENT AND EVALUATION

On April 13, 1999, Ludlow & Associates met with a representative of the Columbia Point, LLC at the Columbia Point complex. The subject property is located at 123 N Hayden Bay Drive in Portland, Oregon. Available maintenance history was discussed as well as the general condition of the property. Drawings prepared by the following contributors were reviewed and utilized in the preparation of this report: Brun Moreland Christopher (architects), Kramer-Gehlen-Associates (structural engineers), KEI (mechanical engineers), R&W Engineering Inc. (electrical engineers). A tour of approximately 10% of the 79 units was provided with questions answered as able.

2.1 Condition of Property and Quality of Construction.

The site and improvements thereon were developed in 1984 and at the time of the survey were in good overall condition. The property is average when compared to similar properties in the general vicinity. Items of deferred maintenance were no observed, but areas of repairs were noted with different elements. These elements are discussed further in Section 3. The improvements appear to have been constructed in compliance with the building codes and standard building practices which would have been applicable at the time of construction.

No evidence of structural failures, soil erosion or differential settlement associated with the buildings were noted or observed during our site survey. Some differential settlement was observed along some of the pedestrian walkways and is noted in Section 3.

2.2 Property Components Summary

The improvements at the subject property consist of five two story structures housing a total of 79 units. Second floor units have lofts. Units are a mixture of one bedroom, one and one-half baths and two bedroom, one bath. Building A also houses the common facilities for the complex. A concrete garage is also featured on the subject property and has parking for a total of 75 vehicles (36 on top and 39 on bottom).

2.2.1 Site

The site is relatively flat with catch basins located along the edge of the concrete drive aisles. Catch basins are connected to the city storm drain system. The access road from Tomahawk Drive is predominately asphalt concrete. The drive aisles and parking areas at the complex are concrete (see Photos #2, #7). Concrete is also used for the parking surface of the garage (see Photos #4, #5). Parking for 75 vehicles is provided in the garage, while parking for an additional 30 vehicles is available in open, uncovered parking stalls along the drive aisles.

Concrete pedestrian walkways are featured throughout the site between the buildings (see Photo #9). A path along the perimeter of the property (river side) is asphalt concrete and is shared maintenance between the site and other properties in the general area. Security lighting is provided by pole mounted exterior lights along the parking lot and building mounted lights.

Trash and recycling collection areas are enclosed in a concrete structure and sit on a concrete pad (see Photo #10). Landscaping on the subject property consists of lawn areas and planting areas with mature trees and shrubs (see Photos #8, #11, #12).

2.2.2 Structural, Building Envelope and Common Area Fixtures, Furniture and Equipment

All of the buildings are of light wood construction. Concrete interior pad footings and continuous spread concrete perimeter footing provide the support for the bearing wall gravity system. First floor units sit on concrete slab on grade. Wood stud bearing walls and floor joists with gypcrete underlayment over a plywood subfloor supports the second story unit. Wood siding over plywood sheathing is featured and is in need of painting and repair (see Section 3.0 for further discussion).

All the buildings feature pitched roofs with concrete roof tiles and extruded metal gutters and downspouts (see Photos #11, #12). Adjacent units are separated by a party wall with double wall construction and sound insulation. From our survey and review of available drawings, it was determined that fire retardant treated plywood was not utilized in the construction of the subject improvements.

Access to the second floor is provided by partially covered exterior stairways (see Photo #13). Stairways feature wood stringers and supports with concrete stair treads. Concrete front pieces are also featured to provide a solid face. Based on information provided by the Columbia Point LLC and field observations, it appears that moisture has collected on some of the wood stringers and caused some dry rot. Further discussion of the stairways is provided in Section 3.0. Some of the upper floor units have direct access from the upper portion of the garage (see Photo #6). The access ramp from the garage structure to the individual units appears to be supported by metal beams and a concrete walking surface.

Exterior entry doors are metal clad in wood frames. Windows and sliding doors to the patio and deck are primarily wood framed with insulated glass (some units have windows with vinyl frames). Lower units typically have a concrete slab on grade patio (see Photos #16, #17). Corner units near the river feature a deck due to the slope of the land (see Photo #14). The deck is supported by concrete pad footings and feature wood decking (see Photo #15). Upper floors feature a deck covered by concrete pavers laid on top of a torched down asphalt layer (see Photos #24, #25). The pavers are not sanded in place and do not have a spacer beneath them to facilitate drainage. No problems were observed with the upper floor deck surface, but signs of clogged drains were observed (see Section 3.0 for further discussion).

Within Building A is the common facilities for the complex (see Photo #31). With the exception of the exercise room and shower facilities, most of the common area amenities are not currently in service (see Photos #32, #33). An indoor sauna is featured but requires new equipment prior to operation and some minor repair work around the unit (see Photo #34). An outdoor pool is featured adjacent to Building A and also requires new equipment prior to operation (see Photos #35, #36). The deck and pool liner were observed to be in good condition with no repair needs noted.

? indoor pool (jacuzzi),
weight room & sauna ?

2.2.3 Electrical and Mechanical

Each unit is supplied with its own meter and 125 amp breaker panel (see Photo #27). Branch wiring with copper conductors was observed in the units. No aluminum branch wiring was observed. Electrical service is provided by Portland General Electric.

Heating is provided by natural gas furnaces located in a closet adjacent to the patio or deck (see Photo #28). A natural gas hot water heater is also located in this closet. Natural gas service is provided by Northwest Natural Gas, with each unit individually metered (see Photo #29).

Sewer and water service is provided by the City of Portland. Water mains and sanitary piping are PVC per drawings reviewed. Hot and cold water supply lines were observed to be copper. Waste and venting pipes are ABS piping.

2.2.4 Dwelling Units

There are a total of 79 units on site. The units mix is as follows: 48 - one bedroom, one and one-half bath (average size is about 710 square feet), and 31 - two bedroom, one bath (average size is about 880 square feet). Each unit has its own exterior entrance and there are no common interior hallways.

All units have interior drywall walls and ceilings with an orange peel texture. Floor coverings were observed to be varied and include carpet, vinyl, wood, and tile. Units have a wood burning masonry fireplace and a hook-up for a stacked washer and dryer system (see Photos #20, #23). Further discussion of the general unit interior is not part of the work scope given to Ludlow & Associates.

2.2.5 Americans with Disabilities Act Compliance

Title III of the Americans with Disabilities Act (ADA) prohibits discrimination on the basis of disability by private entities in places of public accommodations and requires the places of "public accommodation" and commercial facilities be designed, constructed and/or altered so as to be readily accessible to and usable by persons with disabilities. Section 36.304 of the ADA requires a place of public accommodation to remove architectural and communication barrier the are structural in nature in existing facilities, where such removal is readily achievable, i.e., easily accomplishable and able to be carried out with out much difficulty or expense. Per this section of the ADA, a public accommodation is urged to comply with barrier removal requirements in accordance with the following order of compliance:

- 1) Provide access to a place of public accommodation from public sidewalks, parking or public transportation.
- 2) Provide access to those areas of public accommodation where goods and services are made available to the public.
- 3) Provide access to restroom facilities.
- 4) Provide access to goods, services, facilities, privileges, advantages or accommodations of a place of public accommodation.

Though it was not the intent of our survey to constitute a complete ADA audit, the following ADA access elements were observed during our site visit: Handicap parking is provided in the resident parking area and barrier free access is provided to the common areas. Units were developed prior to the current ADA regulations and no apartment interiors were specifically designed with ADA accessible or adaptable features in the bathrooms and kitchens. Some of the first floor units appear to have had the entrances modified to allow for wheel chair access.

2.3 Conclusion

Assuming the current level of maintenance continues, and repair needs are addressed in the near future, the subject property should be able to continue to successfully compete in the local rental market. Reserve amounts for the subject property have been estimated for a 30 year time period. It is recommended that a Physical needs Evaluation be performed every 10 years to update the reserve estimate and account for changes in inflation, building costs, and condition of the subject property.

Section 3 - Immediate Repair Needs, itemizes the immediate deficiencies identified on the subject property. Details about minor items of concern are reviewed in detail in the above summary and the following property assessment and evaluation report.

3.0 IMMEDIATE REPAIR NEEDS

The following areas are discussed in two parts: Observation and Recommendation. These two areas are based on the site survey performed by Ludlow & Associates and estimated performance based on field notes.

3.1 Site

OBSERVATION: The pedestrian walkway was observed to be damaged from tree roots and/or from some differential settlement (see Photos #37, #38, #39). Most of the areas of concern are located near the front of Building B. Based on the design of the concrete walkways, some settlement was planned for in the original design.

RECOMMENDATION: The damaged areas of pedestrian walkway represent a potential tripping hazard to residents and visitors to the site. It is recommended that the damaged areas be replaced. A tree expert should be consulted to determine if selected tree roots can be removed. Raising the elevation of the pedestrian walkways is also a solution but may require more effort and may not be a long term solution.

3.2 Buildings

3.2.1 Wood Siding

OBSERVATION: The wood siding was observed to be in need of painting and some areas require repair (see Photos #40, #41, #42). Sides of the building facing the river appear to be the most affected, with one side observed to have been previously patched (see Photo #41).

RECOMMENDATION: It is recommended that the complex be prepared for painting. During the preparation work, siding should be securely nailed and/or replaced as necessary. The wall sheathing should be checked for all areas in which siding is replaced to see if any water damage has occurred.

3.2.2 Exterior Stairways

OBSERVATION: In the Engineering Questionnaire completed for Ludlow & Associates it was noted that dry rot was present underneath some of the exterior stairwells. Signs of moisture damage was observed beneath the stairwells during the site survey (see Photo #43). It appears that water is seeping along the sides of the concrete stair treads and collecting on the wood stringers and wood support posts.

RECOMMENDATION: With the current design of the exterior stairwells, it appears that moisture problems may be a continuing occurrence because of poor drainage. Because of this, it is recommended that damaged wood stringers be replaced with either metal or pressure treated wood stringers. The use of metal may eliminate the need for wood support posts, if not, then metal supports also should be installed. A gap may also be needed to facilitate drainage from the stairs and not allow for the collection of moisture. An alternative may be to improve the seal between the sides of each stair tread and the stair walls. Regular caulking may be needed with this option.

3.2.3 Roofs and Drainage

OBSERVATION: Some potential signs of clogged or damaged gutters were observed beneath the eaves adjacent to the gutters (see Photo #44). Bubbling paint was the most prevalent sign, with some staining also observed. Clogged drains from the upper floor decks were also observed (see Photo #45). The upper floor decks drain to the patio below through an opening with a slotted cover. On the roofs themselves, areas were observed to have moss in between many of the tiles (see Photo #46).

RECOMMENDATION: It is recommended that all of the gutters and downspouts be checked and cleared. Areas of the eaves with signs of bubbling paint and/or staining should be checked to determine if any water damage has occurred. The deck drains should all be cleaned and cleared. The pavers on the upper decks should be removed, the torch down decking cleaned, and the pavers re-installed over spacers to allow the flow of water under the pavers. For the roof, it is recommended that the roofs be cleaned to prevent degradation of the concrete tiles. An annual cleaning should be implemented to prevent further growth of moss and to extend the useful life of the roof.

4.0 SYSTEMS & CONDITIONS

4.1 Site

Abbreviations: Condition; E= excellent, G = good, F = fair and P = poor. Action required; NM=normal maintenance, RN= repair needed, RR= remove and replace. EUL=estimated useful life. ERL=effective remaining life. DM = Deferred Maintenance

ITEM	EUL	AGE	COND	ERL	Diff?	Action	NOW?	Field Notes
Carports	NA							
Garages	50	16	G	34		NM		Concrete and steel construction. Parking surface on top and bottom are concrete. No problems noted.
Maintenance structures	NA							
Trash Enclosures	NA					NM		Concrete structure encloses waste and recycle containers. Containers sit on a concrete pad. No problems noted.
Roadways/Parking lots								
Asphaltic concrete	25	16	G	15	6	NM		Asphalt concrete feature on main access road from Tomahawk Drive. Maintenance of road is a shared cost between subject property and properties along road. No problems noted.
Seal coat	NA					NM		It is recommended that all asphalt surfaces be resealed every five years to assure asphalt condition remains in good condition. No problems observed.
Concrete pavement	30	16	G	20	6	NM		Concrete is used for the majority of the drive aisles and parking surfaces. Concrete has been poured in sections to minimize stress from traffic. Cracking was not observed in the parking area of the property. No problems noted.
Striping	5	5	G	5		NM		Recommend re-stripe every five years. No problems observed.
Curb and gutter	NA							
Interior gutter	NA							
Pedestrian paving/hardscape	30	16	G	14		RN	X	Some settlement has occurred and areas have been raised by tree roots. Damaged sections should be replaced to remove potential tripping hazards.
Hand and stair rails	NA					NM		No problems observed.
Signage	15	5	G	10		NM		Plastic sign at main entrance. No problems observed.
Site utilities								
Site water lines	40	16	G	35	11	NM		No problems observed.
Site sanitary lines	50+	16	G	34		NM		No problems observed.
Site lighting	20	8	G	12		NM		Building mounted light fixtures at unit entryways. Pole mounted lights along parking and drive aisles. No problems observed.
Site drainage (storm drainage)	50+	16	G	34		NM		Underground system with catch basins connected to city system. No problems observed.

ITEM	202	AGE	CO.	ERL	P?		Field
Retention pond	NA						
Landscaping	30+	16	G	20	6	NM	Lawn areas and planting areas with mature trees and shrubs. No problems observed.
Irrigation	30	16	G	20	6	NM	Spray and drip on automatic controls. No problems observed.
Site fences	NA						
Swimming pool and/or spa							
Swimming Pool	30	16	G	20	6	NM	No problems observed.
Pool equipment	20	16	P	0	4	RN	Pool equipment not currently functional. Pool is not in service.
Saunas and equipment	20	16	P	0	4	NM	Sauna equipment no currently functional. Some repair needs needed around sauna.

4.2 Structural, Building Envelope and Common Area Fixtures and , pm

Abbreviations: Condition; E= excellent, G = good, F = fair and P = poor. Action required; NM=normal maintenance, RN= repair needed and RR= remove and replace. EUL=estimated useful life. ERL=effective remaining life. DM = Deferred Maintenance.

ITEM	EUL	AGE	COND	ERL	Diff?	Action	NOW?	DM	FIELD NOTES
Foundation (structural)	50+	16	G	34		NM			Continuous concrete spread footings with cast-in-place stem walls. No problems observed.
Foundation waterproofing	NA								
Building slab (structural)	50	16	G	34		NM			Concrete slab on grade for first floor units. No problems observed.
Exterior Walls/roof (structural)	50+	16	G	34		RN	X		Wood framed walls and wood truss roof structures with plywood sheeting. The units feature pitched roof system. Fire retardant plywood was not observed. Some siding may need replacement and/or anchoring. No problems observed.
Exterior walls (paint/finish)	6	3	G	3		RN	X		Complex is in need of painting and some siding will need repair during building preparation work.
Doors and frames	25	16	G	20	11	NM			Painted metal-clad door in wood frame. No problems observed.
Windows and frames	30	16	G	20	6	NM			Gas insulated windows in wood frames. No problems observed. Management indicated some windows have been replaced due to moisture problems.
Stairs (structural/finish)	30	16	G	14		RN	X		Access to second floor is provided by partially enclosed exterior stairwells featuring concrete stair treads and wood stringers. Signs of dry rot observed and reported.
Balconies/Handrails/ Guardrail	40	16	G	30	24	NM			Decks feature concrete pavers placed onto a torched down asphalt layer. Some drainage problems observed. Guardrail is provided via a cutout for the deck in the pitched roof system.
Patio Slabs	40	16	G	30	6	NM			Concrete slab on grade patios typically featured. Some corner units feature a wood deck due to the slope of the land. No problems observed.
Roof coverings	50	16	G	34		NM			Concrete tiles on pitched roofs. Some cleaning required for the roofs. No problems noted.
Roof drainage (gutters/downspouts)	50	16	G	34		NM			Some gutters and downspouts may be clogged and/or damaged. Signs of staining and bubbling paint were observed beneath some eaves.
Building mounted lighting	15	8	G	11		NM			No problems observed.
Common area improvements									
Fountains	NA								

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ITEM	EUL	AGE	COND	ERL	Diff?	Action	NOW?	DM	FIELD NOTES
Mechanical/Plumbing									
Hot and cold water distribution	50	16	G	34		NM			Copper piping was observed. No problems noted.
Domestic water heaters	30	15	G	20		NM			Natural gas hot water heaters in each unit. No problems observed.
Sanitary waste and vent (sewer)	50	16	G	34		NM			PVC piping called for in drawings. No problems observed.
Mechanical/HVAC	30	15	G	20		NM			Natural gas forced air furnace in each unit. No problems observed.
Electrical									
Building power/wiring	50	16	G	34		NM			Copper branch wiring observed. No problems noted.
Switchgear/Metering	50	16	G	34		NM			125 amp individually metered service with breakers for overload protection are provided in each unit. No problems observed.
Smoke and fire detection	NA								

4.4 Dwelling

Abbreviations: Condition; E= excellent, G = good, F = fair and P = poor. Action required; NM=normal maintenance, RN= repair needed and RR= remove and replace. EUL=estimated useful life. ERL=effective remaining life. DM = Deferred Maintenance.

Item	EUL	AGE	COND	ERL	Diff?	Action	NOW?	DM	FIELD NOTES
Interior Walls	50	16	G	34		NM			Orange peel textured drywall with a painted finish. No problems observed.
Interior ceilings	50	16	G	34		NM			Orange peel textured drywall with a painted finish. No problems observed.
Unit entry door(s) and frame(s)	30	16	G	14		NM			No problems observed
Patio doors	30	16	G	14		NM			No problems observed.
Window coverings	NA								
Flooring	NA								
Cabinetry/Counter tops	NA								
Sinks Kitchen/Bathroom	NA								
Refrigerator	NA								
Range/Stove	NA								
Range vent	NA								
Dishwasher	NA								
Disposal	NA								
Bathroom improvements	NA								
Interior lighting	NA								
Fireplace	NA								Clean flue every other year. No problems observed.

5.0 RESERVE ESTIMATE

The following section briefly summarizes the items at the subject property for which Reserves have been estimated. For each of the elements shown in the Evaluators Summary (see page 1), a brief description of the methodology is provided. A 30 year time period was selected based on the estimated remaining useful life for many of the improvement components. Based on current economic conditions, an inflation rate of 2.5% was used in the calculations. All costs are estimates based on industry guidelines and on previous Ludlow & Associates staff experience.

5.1 Site

The application of a seal coat to the asphalt concrete access road from Tomahawk Drive will extend the life of the pavement. Based on information provided to Ludlow & Associates, the subject property is responsible for about 20% of the maintenance cost associated with the access road (the road also serves other properties on either side of the road). Parking stalls are assumed to require repainting on a regular basis.

5.2 Structural

Routine maintenance that is required for the buildings includes painting and cleaning of the roofs and gutters. Painting of the building on a routine schedule will improve the expected remaining useful life of the wood siding. Cleaning of the roofs and gutters will also increase the life expectancy of the building components by minimizing the potential for water accumulation on building components.

included
in HOA
fee?

5.3 Mechanical and Electrical

Reserves were not estimated for these two components. Most of the electrical and mechanical systems located on the subject property are contained within a dwelling unit and will be the responsibility of the occupant. The maintenance of pool and sauna equipment was not considered significant relative to the other reserve elements. As such, no estimate was made for these improvement components.

5.4 Dwelling Units

Interior elements of the dwelling units will be the responsibility of the occupant. Since cleaning of the fireplace flues is a safety element and is best done on a complex basis, a reserve for cleaning the fireplace flues was estimated.

5.5 Non-Maintenance Items

The four elements in this reserve section are based on the following:

Siding - Siding repair needs were observed during the site survey, primarily on the river side of the buildings. The siding was observed to be in good condition on other sides of the buildings. Based on the age of the subject property, it has been estimated that future siding repairs will be needed every 15 years.

Concrete Parking Lot - The parking lot was observed to be in good condition with very little signs of cracking. Based on the performance of the parking lot to date and the lack of damage, it has been estimated that 25% of the parking surface will require replacement within the next 30 years.

Pool Liner - Replacement of the pool liner is significant relative to the other reserve items and has been included in the Evaluators Summary.

Physical Needs Evaluation - Because the future condition and performance of the improvements is difficult to predict, it is recommended that a Physical Needs Evaluation be performed every 10 years. This evaluation will review the condition of the subject property, identify required changes to reserve items, and update costs to reflect current building practices and/or economic conditions.

RECEIPT FOR DISCLOSURE STATEMENT

FOR

COLUMBIA POINT CONDOMINIUMS
(A PROPOSED CONDOMINIUM)

Oregon law requires that you as a prospective purchaser of a Condominium unit be given a copy of a disclosure statement adopted and issued by the Real Estate Commissioner not later than the date the unit sales agreement is fully executed by all parties.

DO NOT SIGN THIS RECEIPT UNTIL YOU HAVE RECEIVED A COPY OF THE DISCLOSURE STATEMENT.

The undersigned hereby acknowledges receipt of a copy of the Disclosure Statement issued June 10, 1999 consisting of 29 pages, not later than the date the unit sales agreement is fully executed by all parties.

The undersigned understands that the Disclosure Statement is not a recommendation or endorsement of the Condominium, but is for information only.

Dated this _____ day of _____, 19 ____.

Purchaser

Purchaser

**THE DECLARANT IS REQUIRED TO RETAIN THIS RECEIPT FOR
THREE YEARS**

(PURCHASER'S COPY)

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Dated this _____ day of _____, 19 ____.

Purchaser

Purchaser

**THE DECLARANT IS REQUIRED TO RETAIN THIS RECEIPT FOR
THREE YEARS**

(DECLARANT'S COPY)