

**NOTICE TO TENANT  
OF  
CONVERSION OF RENTAL UNIT TO A CONDOMINIUM**

Notice is given to you as the tenant(s) of Apartment No. \_\_\_\_\_ in the Wayside Terrace Building that the undersigned developer intends to convert the building in which your apartment is located to a condominium, to be known as WAYSIDE TERRACE CONDOMINIUMS.

Condominium ownership is created by recording a condominium declaration, bylaws of the homeowner association, and a plat, all conforming to the Oregon condominium statutes known as the "Oregon Condominium Act." Upon the recording of these documents, a single parcel of land with multiple apartments is legally subdivided so that each former apartment becomes a separate piece of real property. This piece of real property consists of the cubic air space of the apartment together with an undivided interest in common with the owners of the other units in the land, landscaping, exterior, and supporting portions of the building, roof, utility installations, and all other portions of the condominium that are not a part of any unit. The undivided interest in the common elements is expressed as either a fraction or a percentage. Converting a property to a condominium makes possible the separate ownership of each individual apartment. Separate ownership affords the opportunity to a developer to sell apartments as individual homes and affords an opportunity for a purchaser to undertake the obligations and duties and obtain the benefits of home ownership, including the right to mortgage the unit, to obtain purchase money financing, and to participate in any increases in value that the real property may have.

The laws of the State of Oregon and the City of Salem require that this notice be given at least 120 days before the declaration converting the apartment complex to the condominium form of ownership is recorded. The declaration will be recorded on or after 120 days from the date this notice is delivered or mailed to you.

The developer will be making substantial alterations of the physical layout of the apartment units. The developer does intend to offer each unit for sale. Oregon law requires that before the sale of any dwelling unit that is to be retained as a unit in the conversion condominium without substantial alteration in its physical layout, the unit must first be offered by the developer to the tenant who occupies the unit. As a result of the fact that the Declarant is making substantial alterations to the Unit, the developer is under no obligation to offer to sale the Unit to the tenant pursuant to ORS 100.655. However, the Declarant in this instance will give you the opportunity to purchase the Unit if you so desire. If and when the disclosure statement has been filed with the Real Estate Agency, and provided that the developer still intends to sell the apartments as condominium units, the developer will offer to sell the unit to you or whomever is then the tenant occupying the unit.

Oregon law requires that the developer set forth a good-faith estimate of the approximate price range for which the apartment unit will be offered for sale to the tenants and also set forth a good-faith estimate of the monthly operational maintenance and other common expenses or assessments appertaining to the unit. The approximate price range for the unit will be between \$ \_\_\_\_\_ and \$ \_\_\_\_\_.

The anticipated monthly assessment is as follows:

Administrative Expenses:	
Supplies	\$ _____
Legal and Accounting	\$ _____
Professional Management	\$ _____
Operating Expenses:	
Common-Area Electrical	\$ _____
Water and Sewer	\$ _____
Garbage	\$ _____
Reserve	\$ _____
Repairs and Maintenance:	
Buildings	\$ _____
Swimming Pool	\$ _____
Yard and Landscaping	\$ _____
Reserves:	
Insurance	\$ _____
Replacement	\$ _____
TOTAL	\$ _____

The foregoing information is furnished to you pursuant to the requirement of Oregon law and is for the sole purpose of providing you as the tenant with general information regarding the anticipated cost of acquisition of the unit and the estimated monthly expenses. This notice does not bind the developer to offer to sell any unit at a particular price and is not a limitation on the monthly common expenses that may actually be imposed against each unit owner.

Oregon law requires that the developer shall not begin rehabilitation improvements to the condominium unit during the 120-day notice period without the written consent of the tenant unless the unit is vacant. However, renovation to the general common elements may begin during the 120-day notice period without the written consent of the tenant.

Oregon law requires that a copy of this notice be hand-delivered to your dwelling unit or be sent to you at the address of the dwelling unit, by certified mail, return receipt requested.

THE NOTICE OF CONVERSION DOES NOT CONSTITUTE A NOTICE TO TERMINATE YOUR EXISTING TENANCY. Oregon law provides that this notice does not constitute a notice to terminate nor may it include a notice to terminate your tenancy. Any such notice must be given by the undersigned or the managers of the apartment by a separate document delivered to you pursuant to the Oregon Residential Landlord-Tenant Act.

This notice of conversion expresses the intention of the developer and does not in any way bind the undersigned developer to actually carry out the conversion, but is subject to the usual and unexpected influences on business decisions. No actual offer may be made to you until a disclosure statement has been filed with the Oregon Real Estate Agency. But the developer is currently taking

reservations. If the developer still intends to offer your apartment unit for sale, the developer will make a written offer to sell the unit to you or the tenant then occupying your unit. The binding offer must be accompanied with a copy of the disclosure statement. No binding agreement will come about between the developer and a tenant to whom this notice is given or a tenant occupying the unit at the time the offer to sell is given, except by separate agreements mutually executed by the parties.

DATED: \_\_\_\_\_, 2007.

DEVELOPER: \_\_\_\_\_