

HOUSE AGREEMENT

Resale of Private Units

Responsible Committee: Outreach
Resale Work Group

Adopted October 18, 2020
Last reviewed October 2020

This House Agreement provides further explanation of the policy titled “Right of First Offer; Restriction on Alienation” contained in Section 12 of the Declaration of Condominium Ownership for PDX Commons Condominium. Relevant portions of Section 12 are included as an addendum to this document.

Objectives of House Agreement on Resale of Units

- To help perpetuate a vibrant community by connecting Selling Owners with a pool of potential buyers who are eager to live at PDX Commons and are familiar with its values, benefits, privileges and obligations.
- To help owners sell their property for a reasonable price as easily as possible, while minimizing the use of commercial real estate agents, thus creating the potential for a portion of the savings to be donated for the benefit of PDX Commons.
- To ensure that new purchasers understand the intent and practice of cohousing and agree to the participation and other policies and Agreements that PDX Commons has adopted.
- To keep the selling process consistent with the Right of First Offer (ROFO) included in the Declaration of Condominium Ownership for PDX Commons Condominium.
- To encourage Selling Owners to provide as much advance notice as possible to enable the PDX Commons Condominium Owners' Association (HOA), current Owners, and Wait List members more than 20 days to determine interest and logistics in making an offer (20 days is a very short time to formulate an offer if it requires selling an existing residence and/or arranging financing).

House Agreement on Resale of Private Units

Prior to formal initiation of the resale process

- *Eligible Parties:* Owners and Wait List members are “Eligible Parties” to participate as offerors and potential buyers in the Right of First Offer (ROFO) process described in this document.

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- *Wait Lists*: The Outreach Committee of the HOA is responsible for developing policies and procedures for interested parties to join the Wait List and for prospective buyers to become adequately oriented to PDX Commons' culture, policies and House Agreements to satisfy the requirements of this House Agreement. There are two Wait Lists: "Priority" Wait List members and Wait List members.
 - The Priority Wait List (closed) is households that completed the full pathway-to-membership process prior to completion of construction of PDX Commons and the operational startup of the HOA, but did not to purchase at that time.
 - The open, unscreened Wait List consists of people who have expressed interest and completed an application. Both lists are updated annually.
- *Advance Notice*: Owners considering a sale are encouraged to give as much informal notice as possible to the HOA prior to providing written Notice of Intent to sell. Unless the seller has contracted with a real estate broker for marketing, the HOA may — during the period between informal and formal notice *and with the seller's permission* — inform other potential buyers of the future availability of a unit through the PDX Commons newsletter, website or mailing list.

Formal resale process

The formal resale process, detailed in the *Resale Procedure*, is based on PDXC Bylaws and Declarations (see appendix) with the following clarifications:

- *NOI*: A Selling Owner shall provide the HOA with written Notice of Intent to sell (NOI). With a written NOI, the Selling Owner shall state the asking price and any other terms of sale that will influence their willingness to reach agreement on an offer.
- *Waiver*: Selling Owner may request that the HOA waive its ROFO by notifying the Outreach Committee of the name and demonstrated interest of any person with whom Selling Owner wishes to contract for sale. The HOA Board shall have 14 days after notice from the Selling Owner to decide whether to waive its ROFO.
- *ROFO process*: Upon receipt of an NOI, the HOA will immediately notify all Eligible Parties about the availability of the unit. Eligible Parties interested in making an offer for the available unit are encouraged to make their interest known to the HOA as soon as possible.
 - The HOA has up to 20 days from receipt of an NOI to make a written offer to purchase. Until the HOA assigns its ROFO to Eligible Parties, the Owner may not accept any other offer, nor may Eligible Parties make an offer.
 - On or before the 20th day after an NOI, if the HOA has decided not to make an offer, the HOA may assign its ROFO in writing to all Eligible Parties. Eligible Parties may make written offers under the ROFO process within 20 days after assignment. When considering offers, Selling Owners are encouraged to give highest priority to existing Owners during the ROFO period, secondarily to those on the Priority Wait List, and finally to those on the unscreened Wait List.

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- The entire ROFO process can take up to 40 days, but the period will be shortened if the HOA takes fewer than 20 days to make its decision about bidding on the unit or reassigning the ROFO.
- After this protected ROFO period, the owner is free to accept offers from any potential buyer, provided that the potential buyer has attended an orientation to PDX Commons offered by the HOA and has signed an agreement to adhere to the HOA policies and House Agreements.
- *Open Houses:* Selling Owner agrees to coordinate with the HOA to make the unit available for open houses, tours and visits from prospective buyers — providing that the manner of viewing is acceptable to PDX Commons — during the sales process.
- *Orientation:* Potential buyers will be oriented to PDXC community documents, rights, and responsibilities by the Resale Team as per our Resale Procedure.
- *Voluntary contributions:* If the Selling Owner closes a sale with an Eligible Party, or any buyer identified through HOA outreach efforts, and such sale does not involve paying a commissioned real estate agent or broker a full market commission, the Selling Owner is asked to make a voluntary contribution to the HOA. Suggested contributions are between 1 percent and 2 percent of the sales price. This is to recognize the efforts put forth by the HOA to assist in the sale.

Storage Units

- It is the intention of the HOA that each Residential Unit has access to a Storage Unit. The HOA will assign any Storage Units that it owns or controls in such a fair and equitable manner to ensure that each Residential Unit has access to a Storage Unit.
- There are 27 Storage Units associated with Residential Units. Sixteen Storage Units are a part of the associated and separately titled Parking Units. They are either hung from the ceiling or attached to the wall. Four Storage Units are located within space that is designated “Limited Common Element” in the garage. These four Storage Units are not explicitly designated as “Limited Common Elements,” nor are they mapped on the plat or mentioned in the Declaration or Bylaws. These four are on the floor in front of Parking Spaces 3 and 4 and stacked in front of Parking Space 10. Seven Storage Units are located in the Bike Storage Room. These are separately titled.
- Storage Units within the Parking Units can only be sold as a part of the Parking Unit. Storage Units within the Bike Storage Room can only be owned by a private Residential Unit that has no Storage Unit in the Garage. The HOA has the authority to assign the remaining four cages located within the “Limited Common Elements” for the exclusive use of any household that does not otherwise have access to a Storage Unit.
- If any Residential Unit ends up owning more than one Storage Unit, they are obligated to lease one of the Storage Units to the HOA for \$1 so that the HOA can assign it to a Residential Unit without a Storage Unit.
- Each Residential Unit Owner has the right to lease their owned or assigned Storage Unit to another resident so long as the lease does not survive any sale of the

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Residential Unit.

Parking Spaces

The following provisions apply to parking spaces, referred to as Parking Units.

- The 24 on-site Parking Units have been separately titled. Parking Units can be sold or leased separately or together with a Residential Unit. The written notice of intent to sell (NOI) should specify whether a Parking Unit is included and either include the price of the Parking Unit in the asking price or specify the price for the Parking Unit if it is separate.
- If sold or leased separately from the Residential Unit, the Parking Unit must be sold or leased to an Owner. This is to ensure that only residents have access to the garage. This means that the Parking Unit must be offered to the HOA through the NOI before being offered for sale to any other parties.
- It is strongly suggested that if a Parking Unit is to be leased or sold separately from a residential Unit, the Selling Owner and the HOA give preference to any Owner who does not currently own a Parking Unit over any Owner who may want to acquire a second Parking Unit. However, if neither an existing Owner without a Parking Unit nor the HOA expresses interest, there is no prohibition on an Owner owning two Parking Units.
- As stated in the Bylaws of the PDX Commons Condominium Owners' Association, paragraph 8.15, Parking Units cannot change use, such as being converted into Storage, without the approval of the Architecture Committee.

Adopted October 17, 2016; October 16, 2018, August 18, 2019;

APPENDIX — Portions of Right of First Offer; Restrictions on Alienation Policy from the Declaration of Condominium Ownership for PDX Commons

12. Right of First Offer; Restrictions on Alienation. This Declaration and the Bylaws impose no restrictions on the alienation of any Unit, except that Storage and Parking Units may be owned only by Declarant or an Owner of a Residential Unit, and except for the following restrictions:

12.1 Association's Right of First Offer to Purchase. In the event an Owner desires to sell, transfer, assign or convey the Owner's Unit and for so long as the Condominium has not terminated, the Association shall have the right of first offer to purchase the Unit before the Unit is offered for sale to a third party. Accordingly, each Owner desiring to sell the Owner's Unit (the "Selling Owner") must notify the Board of Directors in writing of the Selling Owner's intent to sell. If the Board elects to exercise the Association's right of first offer, the Board shall deliver a written offer to the Selling Owner in writing within 20 days after receipt of the notice from the Selling Owner. The Association may by written instrument assign its right to exercise the right of first offer for a particular Unit to a person or persons on a waiting list maintained by the Board, if the Board so elects within the 20-day period after written notice from the Owner of its intent to sell such Unit. In the event of such an assignment, the assignee(s) shall assume the Association's right of first offer and may make a written offer to purchase the Unit within 20 days after the assignment. If the Association fails to exercise or assign its right of first offer during the 20-day period after receipt of the Owner's notice or, if the assignee(s) fail to exercise their right of first offer within 20 days after the date of assignment, the Selling Owner may proceed to offer its Unit for sale to third parties, provided that Selling Owner shall not execute a binding sale agreement until the prospective buyer has attended an orientation offered by the Association and agrees to comply with this Declaration, the Bylaws and House Agreements upon closing. Nothing in this Section 12.1 obligates an Owner to accept the terms of the offer made by the Association or its assignee, but the Owner and the Association or its assignee shall be obligated to bargain in good faith.

12.2 Restrictions on Alienation. No person or entity may own or shall be entitled to acquire a Parking or Storage Unit unless such person or entity owns or shall simultaneously acquire a Residential Unit, except Declarant or the Association. With the exception of a conveyance, transfer or other disposition to the Declarant or Association, any conveyance, transfer, lease, or other disposition ("Transfer") of a Parking or Storage Unit to a person or entity who does not own or who will not simultaneously acquire a Residential Unit is prohibited. In the case of a Transfer or attempted Transfer of a Parking or Storage Unit in violation of this Section 12.2, in addition to the Association's other rights under this Section 12, the person or entity making or attempting such Transfer shall indemnify and hold harmless the Association and its members from all cost, liability, and damage that the Association or its members may incur (including, without limitation, attorneys' fees and expenses) as a result of such Transfer or attempted Transfer. In the event a person or entity engages or attempts to engage in a Transfer of a Parking or Storage Unit in violation of this Section 12.2, the Association acting through the Board may, in its sole discretion, fine the offending person or entity in such amounts as it may determine to be appropriate, in addition to any other rights or remedies available to the Association under this Declaration, the Bylaws or applicable law or in equity including,

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without limitation, the remedies of specific performance and injunction.

12.2 Mortgage Rights. The right of first offer set forth in Section 12.1 shall not adversely affect the rights of a Mortgagee or its assignee to:

12.2.1 Foreclose or take title to a Unit pursuant to the remedies set forth in the Mortgage;

12.2.2 Accept a deed or assignment in lieu of foreclosure in the event of a default by a mortgagor; or

12.2.3 Sell or lease a Unit acquired by the Mortgagee or its assignee.

12.3 Resale Guidelines. The Board may adopt further guidelines for the resale of