

**TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS**

LOTS 1 AND 2, BLOCK 17, "KINGS SECOND ADDITION TO THE CITY OF PORTLAND", SITUATED IN THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 36 NORTH, RANGE 12 WEST, MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON. JANUARY 6, 2005. SCALE: 1" = 50'

**LEGEND**

- FOUND MONUMENT AS SHOWN
- FOUND BRASS SCREW WITH 3/4" BRASS WASHER MARKED "W.B. WELLS & ASSOC. INC.", SET IN SN-51340
- ∅ SET BRASS SCREW WITH 3/4" BRASS WASHER MARKED "W.B. WELLS & ASSOC. INC." ON MARCH 6, 2004
- FD FOUND
- BS BRASS SCREW
- IR IRON ROD
- W/ WITH
- YPC YELLOW PLASTIC CAP
- M MEASURED DATA
- O.U. ORIGIN UNKNOWN
- SN SURVEY NUMBER, MULTNOMAH COUNTY SURVEY RECORDS
- Y 5/10 MAP SHOWING EXISTING STREET MONUMENTS AND MONUMENT LINES IN CITY OF PORTLAND, REVISED DATE OF 1915

**NARRATIVE**

THE PURPOSE OF THIS SURVEY IS TO CREATE A CONDOMINIUM PLAT OF LOTS 1 AND 2, BLOCK 17, "KINGS SECOND ADDITION TO THE CITY OF PORTLAND". MONUMENTS SHOWN AS FOUND WERE TIED FROM A RANDOM TRAVERSE ON FEBRUARY 24 AND MARCH 6, 2004.

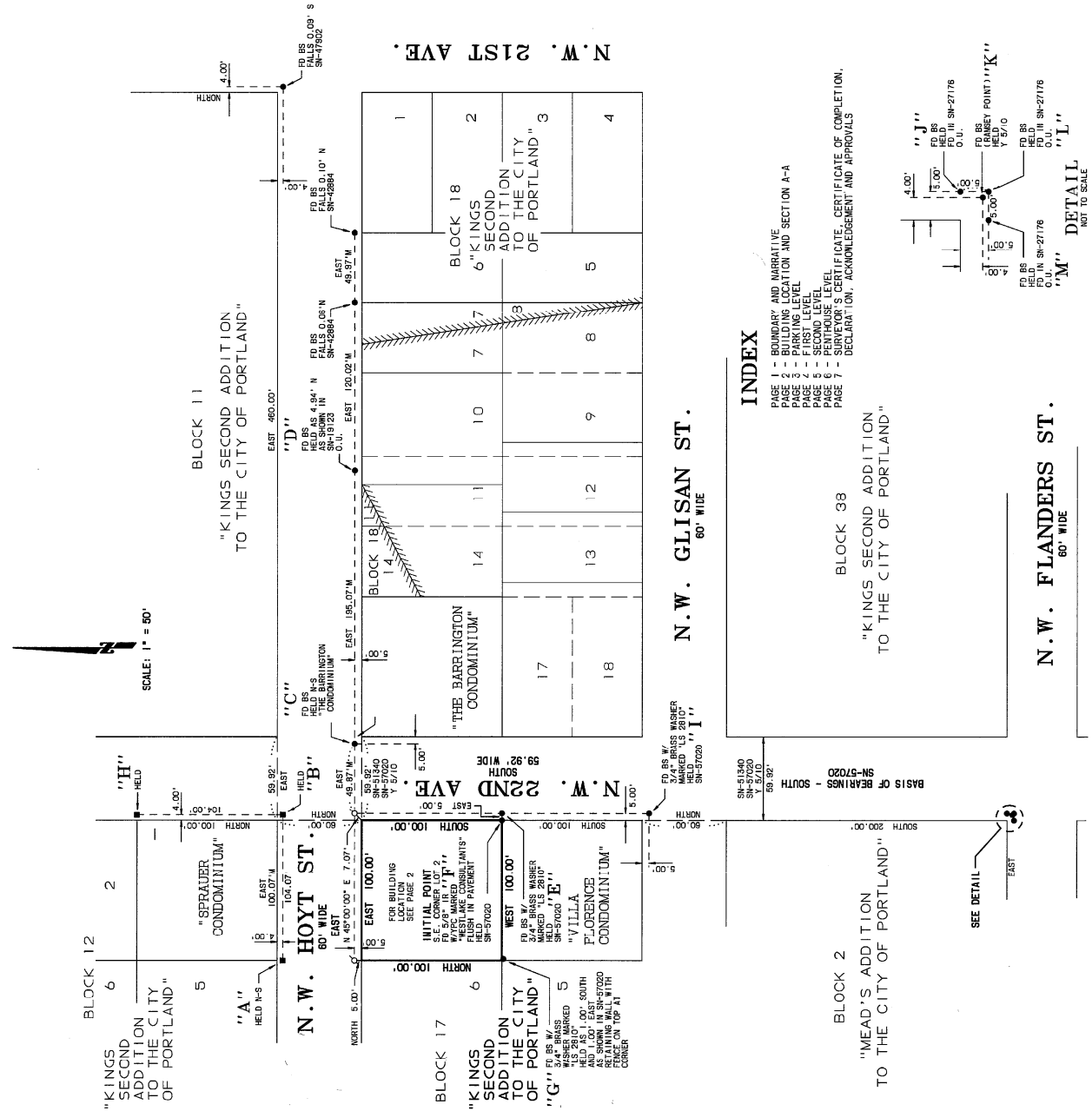
N.W. HOYT STREET AND THE NORTH LINE OF SAID LOT 1 WAS ESTABLISHED BY HOLDING MONUMENTS "A", "B", "C" AND HOLDING RECORD FALLING ON THE NORTH LINE OF SAID LOT 1. THE SOUTH LINE OF SAID LOT 1 WAS ESTABLISHED PARALLEL WITH SAID PLAT DISTANCE FROM THE NORTH LINE OF LOT 1, HOLDING MONUMENTS "E", "F", AND RECORD FALLINGS ON MONUMENT "G". N.W. 22ND AVENUE AND THE EAST LINE OF SAID LOTS 1 AND 2 WAS ESTABLISHED BY HOLDING MONUMENTS "H", "I", AND 2 WAS ESTABLISHED PARALLEL WITH AND PLAT DISTANCE FROM THE EAST LINE OF SAID LOTS 1 AND 2 BY HOLDING RECORD FALLING FROM MONUMENT "G", AS SHOWN.

REGISTERED PROFESSIONAL LAND SURVEYOR  
R.D. RO

OREGON JUL 13 2004 RANDY R. ROHNER 2197 EXPIRES 12-31-05

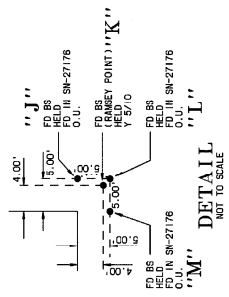
I HEREBY CERTIFY THIS TO BE THE ORIGINAL PLAT

I CERTIFY THAT THIS PLAT WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51645A ON CONTINENTAL JPC402 POLYESTER FILM.



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N.W. FLANDERS ST.  
60' WIDE

BLOCK 38  
"KINGS SECOND ADDITION TO THE CITY OF PORTLAND"

N.W. GLISAN ST.  
60' WIDE

BLOCK 11  
"KINGS SECOND ADDITION TO THE CITY OF PORTLAND"

BLOCK 12  
"KINGS SECOND ADDITION TO THE CITY OF PORTLAND"

"SPRAUER CONDOMINIUM"

N.W. HOYT ST.  
60' WIDE

BLOCK 17  
"KINGS SECOND ADDITION TO THE CITY OF PORTLAND"

"VILLA FLORENCE CONDOMINIUM"

N.W. 22ND AVE.  
SOUTH

N.W. 21ST AVE.

BLOCK 14  
"THE BARRINGTON CONDOMINIUM"

BLOCK 13  
"KINGS SECOND ADDITION TO THE CITY OF PORTLAND"

BLOCK 18  
"KINGS SECOND ADDITION TO THE CITY OF PORTLAND"

BLOCK 2  
"MEAD'S ADDITION TO THE CITY OF PORTLAND"

BLOCK 6  
"KINGS SECOND ADDITION TO THE CITY OF PORTLAND"

"H" HELD

"B" HELD

"C" HELD

"D" HELD

"E" HELD

"F" HELD

"G" HELD

"H" HELD

"I" HELD

"J" HELD

"K" HELD

"L" HELD

"M" HELD

"N" HELD

"O" HELD

"P" HELD

"Q" HELD

"R" HELD

"S" HELD

"T" HELD

"U" HELD

"V" HELD

"W" HELD

"X" HELD

"Y" HELD

"Z" HELD



**TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS**

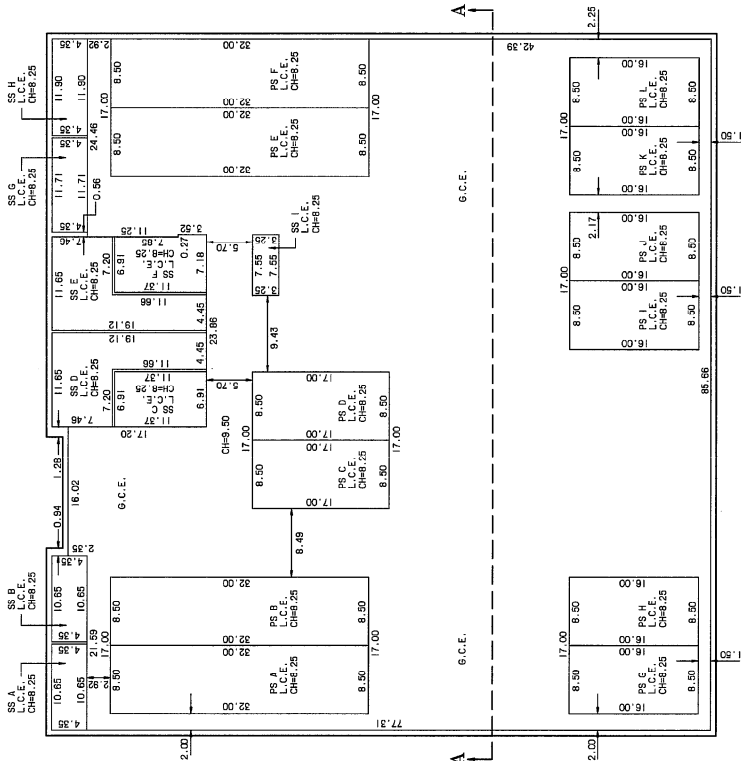
LOTS 1 AND 2, BLOCK 17, "KING'S SECOND ADDITION TO THE CITY OF PORTLAND", SITUATED IN THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 36N, RANGE 12E, MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON. JANUARY 6, 2005  
SCALE: 1" = 10'

**LEGEND**

- L.C.E. LIMITED COMMON ELEMENT
- G.C.E. GENERAL COMMON ELEMENT
- CH CEILING HEIGHT
- PS PARKING SPACE
- SS STORAGE SPACE

**NOTES**

1. ALL BUILDING CORNERS ARE PERPENDICULAR.
2. FLOOR ELEVATIONS ARE FROM CITY OF PORTLAND BENCHMARK NO. 2857. A 2-1/2" BRASS DISC LOCATED AT THE NE CORNER OF THE INTERIOR VERTICAL MEASUREMENTS FROM ANCHOR BOLT STREET. ELEVATION = 116.280 FEET, CITY OF PORTLAND DATUM.
3. INTERIOR VERTICAL MEASUREMENTS ARE FROM CONCRETE FLOOR TO CEILING. INTERIOR HORIZONTAL MEASUREMENTS ARE FROM UNFINISHED WALL TO UNFINISHED WALL.



**PARKING LEVEL**  
INTERIOR WALLS 0.28 WIDE, OR AS NOTED  
EXTERIOR WALLS 0.57 WIDE

REGISTERED PROFESSIONAL LAND SURVEYOR  
2012  
OREGON  
MILTON L. ROHRER  
2187  
EXPIRES 12-31-05

I HEREBY CERTIFY THIS TO BE A TRUE AND CORRECT COPY OF THE ORIGINAL PLAT

I CERTIFY THAT THIS PLAT WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51646A ON CONTINENTAL JPC4M2 POLYESTER FILM.



**W.B. WELLS AND ASSOCIATES, INC.**  
1200 SW 10TH AVENUE  
SUITE 200  
PORTLAND, OREGON 97213  
PHONE (503) 284-3686  
FAX (503) 284-6580  
FILE NO. 04-048 37M

**TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS**

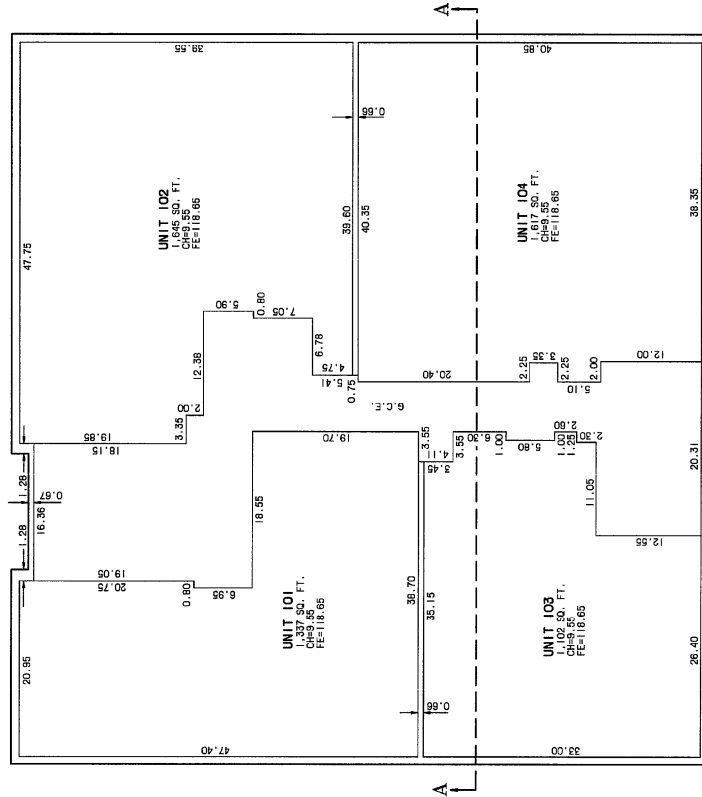
LOTS 1 AND 2, BLOCK 17, "KING'S SECOND ADDITION TO THE CITY OF PORTLAND", SITUATED IN THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON. JANUARY 6 2005  
SCALE: 1" = 10'

**LEGEND**

G.C.E.	GENERAL COMMON ELEMENT
CH	CEILING HEIGHT
FE	FLOOR ELEVATION
SQ. FT.	SQUARE FEET

**NOTES**

- ALL BUILDING CORNERS ARE PERPENDICULAR.
- FLOOR ELEVATIONS ARE FROM CITY OF PORTLAND BENCHMARK NO. 2897. A BRASS DISC LOCATED AT THE CORNER OF THE INTERSECTION OF HOYT STREET AND W. 11TH STREET HAS AN ELEVATION = 116.280 FEET, CITY OF PORTLAND DATUM.
- INTERIOR VERTICAL MEASUREMENTS OF UNITS SHOWN ARE FROM FINISHED FLOOR TO FINISHED CEILING. INTERIOR HORIZONTAL MEASUREMENTS OF UNIT 5 SHOWN ARE FROM UNFINISHED WALL TO UNFINISHED WALL.



**FIRST LEVEL**  
EXTERIOR WALLS 0.97 WIDE, OR AS NOTED

REGISTERED PROFESSIONAL LAND SURVEYOR  
*R. R.*  
OREGON LICENSE NO. 2107  
RANDY L. ROHNER

I HEREBY CERTIFY THIS TO BE A TRUE AND EXACT COPY OF THE ORIGINAL PLAT

EXPIRES 12-31-06

I CERTIFY THAT THIS PLAT WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51645A ON CONTINENTAL JPC-M2 POLYESTER FILM.



**W.B. WELLS AND ASSOCIATES, INC.**  
SURVEYORS/ENGINEERS/PLANNERS  
727 W. WASHINGTON STREET  
PORTLAND, OREGON 97213  
PHONE (503) 284-5856  
FAX (503) 284-5520  
DTM

**TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS**

LOTS 1 AND 2, BLOCK 17, "KING'S SECOND ADDITION TO THE CITY OF PORTLAND", SITUATED IN THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 1 WEST, MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON. JANUARY 6, 2005  
SCALE: 1" = 10'

**LEGEND**

- G.C.E. GENERAL COMMON ELEMENT
- CH CEILING HEIGHT
- FE FLOOR ELEVATION
- SQ. FT. SQUARE FEET

**NOTES**

1. ALL BUILDING CORNERS ARE PERPENDICULAR.
2. FLOOR ELEVATIONS ARE FROM CITY OF PORTLAND BENCHMARK NO. 2857. A 2-1/2" BRASS DISC LOCATED AT THE NE CORNER OF THE INTERSECTION OF HOYT AVENUE AND HOYT STREET. ELEVATION = 116.280 FEET, CITY OF PORTLAND DATUM.
3. INTERIOR VERTICAL MEASUREMENTS OF UNITS SHOWN ARE FROM FINISHED FLOOR TO FINISHED CEILING. MEASUREMENTS OF UNITS SHOWN ARE FROM UNFINISHED WALL TO UNFINISHED WALL.

REGISTERED PROFESSIONAL LAND SURVEYOR

R. R.

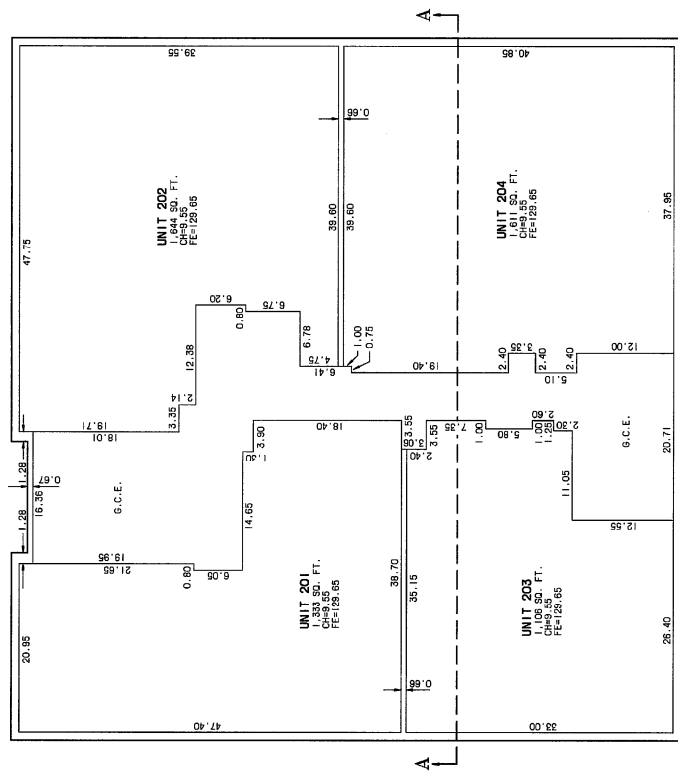
OREGON 884  
MILLS, RANDY ROBINER  
2167

EXPIRES 12-31-05

I HEREBY CERTIFY THIS TO BE A TRUE AND EXACT COPY OF THE ORIGINAL PLAT

I CERTIFY THAT THIS PLAT WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51645A ON CONTINENTAL JPC4M2 POLYESTER FILM.

**F. B. WELLS AND ASSOCIATES, INC.**  
SURVEYORS/ENGINEERS/PLANNERS  
2825 NE MULTNOMAH STREET  
PORTLAND, OREGON 97213  
PHONE (503) 284-6586  
FAX (503) 284-8530  
FILE NO. 04-048 01M



**SECOND LEVEL**  
EXTERIOR WALLS 0.57 WIDE, OR AS NOTED

**TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS**

LOTS 1 AND 2, BLOCK 17, "KING'S SECOND ADDITION TO THE CITY OF PORTLAND", SITUATED IN THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 1 NORTH, RANGE 2 EAST, MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON. JANUARY 6, 2005  
SCALE: 1" = 10'

**LEGEND**

- L.C.E. LIMITED COMMON ELEMENTS
- G.C.E. GENERAL COMMON ELEMENTS
- CH CEILING HEIGHT
- FE FLOOR ELEVATION
- SQ. FT. SQUARE FEET

**NOTES**

1. ALL BUILDING CORNERS ARE PERPENDICULAR.
2. FLOOR ELEVATIONS ARE FROM CITY OF PORTLAND BENCHMARK NO. 2857, A 1/2" x 1/2" BRASS DISC LOCATED AT THE NE CORNER OF THE INTERSECTION OF N.W. 22ND AVENUE AND N.W. IRVING STREET. ELEVATION = 116.280 FEET, CITY OF PORTLAND DATUM.
3. INTERIOR VERTICAL MEASUREMENTS OF UNITS SHOWN ARE FROM SUBFLOOR TO UNFINISHED CEILING. INTERIOR HORIZONTAL MEASUREMENTS OF UNITS SHOWN ARE FROM UNFINISHED WALL TO UNFINISHED WALL.

REGISTERED PROFESSIONAL LAND SURVEYOR  
 OREGON 1984  
 JULY 13, 1988  
 RANDY R. FISHER  
 EXPIRES 12-31-86

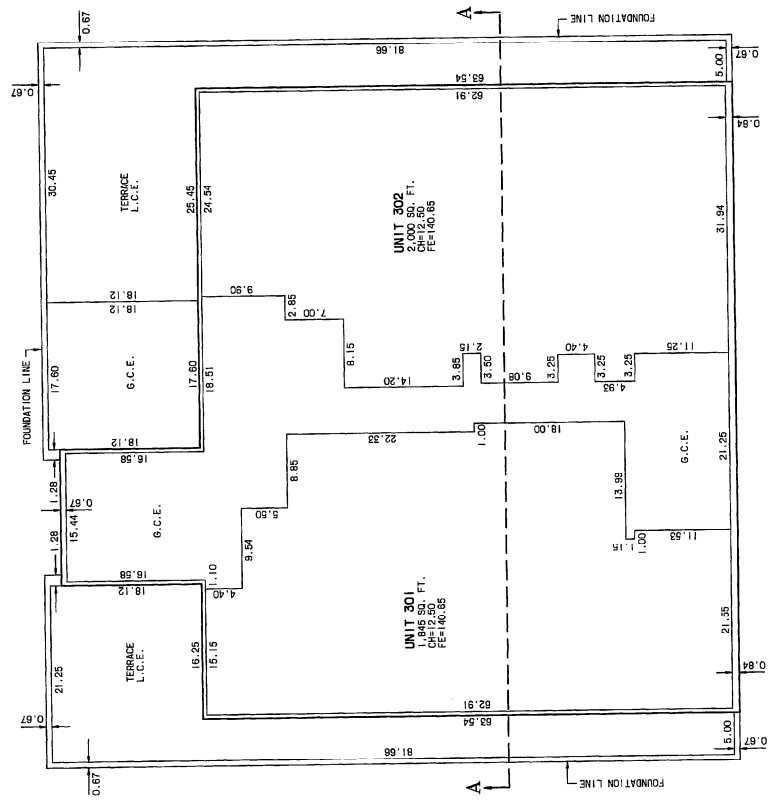
I HEREBY CERTIFY THIS TO BE A TRUE AND EXACT COPY OF THE ORIGINAL PLAN

I CERTIFY THAT THIS PLAN WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51645A ON CONTINENTAL JPCAM2 POLYESTER FILM



**W.B. WELLS AND ASSOCIATES, INC.**  
 SURVEYORS/ENGINEERS/PLANNERS  
 4230 N.E. FREMONT STREET  
 PORTLAND, OREGON 97213  
 PHONE: (503) 284-5868  
 FAX: (503) 284-8650  
 FILE NO. 04-C48 DTM

**PENTHOUSE LEVEL**  
 EXTERIOR WALLS 0.46 WIDE, OR AS NOTED



SCALE: 1" = 10'

**TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS**

LOTS 1 AND 2, BLOCK 17, "KING'S SECOND ADDITION TO THE CITY OF PORTLAND", SITUATED IN THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON. JANUARY 6, 2005

**SURVEYOR'S CERTIFICATE**

I, RANDY L. ROHNER, HEREBY CERTIFY THAT I HAVE CORRECTLY SURVEYED AND MARKED THE BOUNDARIES OF THE LAND DESCRIBED IN AN ANNEXED MAP OF "TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS", SAID LAND BEING DESCRIBED AS FOLLOWS:

LOTS 1 AND 2, BLOCK 17, "KING'S SECOND ADDITION TO THE CITY OF PORTLAND", SITUATED IN THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
 BEGINNING AT THE INITIAL POINT, SAID POINT BEING A FOUND 5/8" IRON ROD WITH YELLOW PLASTIC CAP MARKED "WEST LAKE CONSULTANTS" BEING 100.00 FEET SOUTH OF THE CORNER OF THE SOUTH LINE OF SAID LOT 2; A DISTANCE OF 100.00 FEET TO THE SOUTHWEST CORNER OF SAID LOT 2; THENCE NORTH, ALONG THE WEST LINE OF SAID LOTS 2 AND 1, A DISTANCE OF 100.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 1; THENCE EAST, ALONG SAID SOUTH-WEST CORNER OF SAID LOT 1, A DISTANCE OF 100.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 1; A DISTANCE OF 100.00 FEET TO THE NORTHEAST CORNER OF SAID LOT 1, SAID POINT BEING 100.00 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH, ALONG SAID WEST RIGHT-OF-WAY LINE AND THE EAST LINE OF SAID LOTS 1 AND 2, A DISTANCE OF 100.00 FEET TO THE INITIAL POINT, CONTAINING 10,000 SQUARE FEET.

REGISTERED PROFESSIONAL LAND SURVEYOR  
 R. L. ROHNER  
 OREGON  
 JULY 13, 2008  
 RANDY L. ROHNER  
 2167  
 EXPIRES 12-31-06

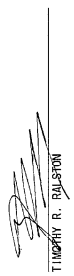
I HEREBY CERTIFY THIS TO BE A TRUE AND EXACT COPY OF THE ORIGINAL PLAT

I CERTIFY THAT THIS PLAT WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51645A ON CONTINENTAL JPC412 POLYESTER FILM

CERTIFICATE OF COMPLETION  
 I, RANDY L. ROHNER, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE WITHIN PLAT OF "TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS" FULLY AND ACCURATELY DEPICTS THE BOUNDARIES OF SAID CONDOMINIUMS AS SHOWN ON THE ANNEXED MAP AND THAT THE BUILDINGS AS DEPICTED ON THE PLAT HAS BEEN COMPLETED AS OF JANUARY 3, 2005.

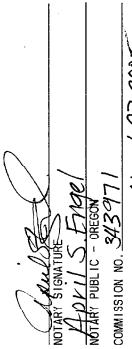
**DECLARATION**

KNOW ALL PEOPLE BY THESE PRESENTS THAT TIMOTHY R. RALSTON, HEREBY KNOWINGLY AND LEGALLY REPRESENTING THE WITHIN TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS, AS DESCRIBED IN THE ACCOMPANYING SURVEYOR'S CERTIFICATE, TO BE A TRUE AND CORRECT MAP AND PLAT THEREOF, AND HEREBY COMITS SAID MAP AND PLAT TO THE OPERATION OF THE OREGON CONDOMINIUM ACT AND TO THE PROVISIONS OF OREGON REVISED STATUTES 100.005 TO 100.695.

  
 TIMOTHY R. RALSTON

**ACKNOWLEDGEMENT**

STATE OF OREGON )  
 COUNTY OF MULTNOMAH )  
 THIS IS TO CERTIFY THAT ON THIS 4<sup>th</sup> DAY OF March, 2005, BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID STATE AND COUNTY, PERSONALLY AND IN MY PRESENCE, TIMOTHY RALSTON, SAID TO BE THE FENETIC PERSON NAMED IN THE FOREGOING INSTRUMENT, AND THAT HE EXECUTED SAID INSTRUMENT FREELY AND VOLUNTARILY.

  
 NOTARY SIGNATURE  
 April S. Fazel  
 NOTARY PUBLIC - OREGON  
 COMMISSION NO. 313971  
 MY COMMISSION EXPIRES March 27, 2005

**APPROVALS**

APPROVE THIS 13<sup>th</sup> DAY OF MAY, 2005  
 COUNTY SURVEYOR, MULTNOMAH COUNTY, OREGON  
 BY: S. R. O'Neil - Deputy

ALL TAXES, FEES, ASSESSMENTS OR OTHER CHARGES AS PROVIDED BY THE OREGON REVENUE CODE, AS APPLICABLE TO THE SAID PARCELS, 2005-  
 DIRECTOR, DIVISION OF ASSESSMENT AND TAXATION  
 BY: Ma C. Stain

STATE OF OREGON )  
 COUNTY OF MULTNOMAH )  
 I DO HEREBY CERTIFY THAT THE ATTACHED CONDOMINIUM PLAT WAS RECEIVED FOR RECORD AND RECORDED  
May 13, 2005, AT 3:58 P.M.

IN BOOK 1207 PAGES 80-86  
 COUNTY RECORDING OFFICE  
 BY: Laura Obama  
 DEPUTY  
 DOCUMENT NO. 2005-060906



F.B. WELLS AND ASSOCIATES, INC.  
 2000 W. BROADWAY, SUITE 100  
 PORTLAND, OREGON 97213  
 PHONE (503) 284-5888  
 FAX (503) 284-6835

AFTER RECORDING RETURN TO:  
RAMIS CREW & CORRIGAN & BACHRACH, LLP  
1727 NW HOYT STREET  
PORTLAND OR 97209

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Recorded in MULTNOMAH COUNTY, OREGON  
C. Swick, Deputy Clerk  
G11 60 ATTDS  
Total : 316.00

2005-086907 05/13/2005 03:58:54pm

60



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DECLARATION  
SUBMITTING TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS  
TO CONDOMINIUM OWNERSHIP

This Declaration submits to the provisions, restrictions and limitations of the Oregon Condominium Act, real property hereinafter described (the "Real Property") and all improvements now existing or to be constructed on such real property, to be known as TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS.

Recitals, Intent and Purpose

Timothy R. Ralston ("Declarant"), is the owner in fee simple of the Real Property described herein below, and desires to submit the Real Property to the Condominium form of ownership, to be converted, handled and used in the manner provided by the Oregon Condominium Act. As the owner of the Real Property, Declarant is the successor in interest to Apollo Homes, Inc., an Oregon corporation, the "Declarant" under the Superseded Declaration

Declaration

Declarant hereby declares on behalf of itself, its successors, grantees and assigns, as well as to any and all persons having, acquiring or seeking to have or acquire any interest of any nature whatsoever in and to any part of the Real Property, as follows:

1. Definitions. Except as otherwise provided or modified by this Section 1, the terms contained herein shall have the meaning set forth in the Oregon Condominium Act, ORS 100.005 et seq., and said statute and its definitions are incorporated herein. As used in this Declaration and in the bylaws (the "Bylaws") of the Twenty-Two Twenty-Two Hoyt Street Condominiums Association (the "Association"), the following terms shall have the following meanings:

1.1 Association shall mean and refer to the Twenty-Two Twenty-Two Hoyt Street Condominium Association which shall be an Oregon nonprofit corporation.

1.2 Condominium means the Real Property, all buildings, and structures constructed thereon and all improvements made thereto, and all easements, rights and appurtenances belonging thereto, all of which are herewith submitted to the provisions of the Oregon Condominium Act.

1.3 Mortgage means a recorded first mortgage, first trust deed or first contract of sale that creates a first lien against a Unit, and "Mortgagee" means the holder, beneficiary or vendor of such a mortgage, trust deed or contract of sale, but only when such holder, beneficiary or vendor notifies the Association in writing of the existence of such mortgage and gives the Association a current name and mailing address.

1.4 Owner means the sole, or all joint, owners of one or more Units.

1.5 Plat means the recorded plat of Twenty-Two Twenty-Two Hoyt Street Condominium.

1.6 Unit means the airspace encompassed by the undecorated interior surface of the perimeter walls, floors and ceilings which is owned in fee simple by each owner of a Condominium Unit and which is more specifically described in Section 3.2 of this Declaration.

2. Real Property Description. The Real Property that is submitted hereunder to the Oregon Condominium Act is located in the City of Portland, Multnomah County, Oregon, and is more particularly described on Exhibit "A." Each owner shall hold fee simple title to the Unit and common elements pertaining thereto when such property is conveyed to the owner by the Declarant. Prior to such conveyance, the Declarant shall hold fee simple title to all Units and the appertaining common elements.

3. Name and Unit Description.

3.1 Name. The name by which the Real Property hereunder shall be known is Twenty-Two Twenty-Two Hoyt Street Condominiums.

3.2 Boundaries of Units. Each Unit shall be bounded by the interior surfaces of its perimeter walls, floors, and ceilings. The Units shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of its finished surfaces, except those portions of the walls, floors, or ceilings that materially contribute to the structure or shear capacity of the condominium. All other portions of the exterior walls, floors or ceilings shall be a part of the common elements. In addition, each Unit shall include the following:

(a) All spaces, nonbearing interior partitions, windows, window frames, exterior doors, door frames and trim, and all other fixtures and improvements within the boundaries of the Unit; and

(b) All outlets of utility service lines, including, but not limited to, power, light, gas, hot and cold water, heating, refrigeration, air conditioning and waste disposal within the boundaries of the Unit, but shall not include any part of such lines or ducts themselves.

In interpreting deeds, mortgages, deeds of trust and other instruments, for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the Unit or of a Unit reconstructed in substantial accordance with the original plans hereof shall be conclusively presumed to be the boundaries regardless of settling, rising or lateral movement of the building and regardless of variances between boundaries as shown on the plat being recorded simultaneously with this Declaration (the "Plat") and those of the actual building or buildings.

3.3. Square Footage of Units. The area of each Unit measured in square feet is as follows:

<u>Unit Designation</u>	<u>Area of Unit</u>
101	1337 square feet
102	1645 square feet
103	1102 square feet
104	1617 square feet
201	1333 square feet
202	1644 square feet
203	1106 square feet
204	1611 square feet
301	1845 square feet
302	2000 square feet

3.4. Building Description and Unit Designation. The Real Property consists of one building having three floors of residential units and common area, a below ground parking area rooftop terraces that will be limited common elements of Units 301 and 302, and a rooftop deck area that will be for the general use of all Units. There will be a total of ten (10) Condominium Units. The Condominium building has a metal roof with masonry exterior and concrete foundation, and with some masonry interior walls. Non-masonry walls for the Units are of wood frame construction.

The vertical and horizontal boundaries, number designation, location and dimension of each Unit are shown on the Plat.

3.5. Percentage of Undivided Interest in Common Element Ownership. The Units have the following percentage undivided ownership interests in the common elements, calculated on the basis of percentage of the percentage of total Unit square footage contained within each Unit:

<u>Unit Designation</u>	<u>Percentage Ownership Interest</u>
101	8.8%
102	10.8%
103	7.2%
104	10.6%
201	8.8%
202	10.8%
203	10.5%
204	7.3%
301	12.1%
302	13.1%

Each Unit's interest in the common elements shall be inseparable from the Unit and any conveyance, encumbrance, judicial sale, or other transfer, voluntary or involuntary, of an undivided interest in the common elements shall be void unless the Unit to which that interest is allocated is also transferred.

4. General Common Elements.

4.1 Definition. The general common elements consist of all portions of the Condominium that are not part of a Unit or a limited common element, including, without limitation, the following:

- (a) The land and improvements affixed thereto;
- (b) The foundations, columns, girders, beams, supports, bearing walls, main walls, roofs (except for terrace areas adjacent to Units 301 and 302), halls, corridors, lobbies, stairs, fire escapes, entrances and exits of the building(s);
- (c) The unassigned parking areas;
- (d) Installations of central services, such as power, light, gas, hot and cold water, heating, and waste disposal, up to the outlets within any Units;

- (e) The tanks, pumps, heat pumps, motors, fans, compressors, ducts and, in general, all apparatus and installations existing for common use;
- (f) The elevator shaft, elevator and all components thereof; and
- (g) All other elements of the building and real property that are necessary or convenient to their existence, maintenance and safety or that are normally in common use.

4.2 Maintenance, Repair and Replacement of General Common Elements:

Liability for Common Expense. Except as otherwise specifically provided in this Declaration, the cost of maintenance, repair and replacement of the general common elements shall be a common expense, and the performance of such work shall be the responsibility of the Association, except that any damage caused by the negligence or intentional act of an owner or his invitee, guest, tenant or servant shall be repaired by the Association at such owner's sole cost and expense. Although repair, maintenance and replacement of doors and door frames, windows and window frames and skylights and skylight frames (if any) shall be the responsibility of individual owners, exterior painting shall be the responsibility of the Association. Common expenses shall be assessed and apportioned among the owners as set forth in Section 10.6 of this Declaration.

4.3 Income From General Common Elements. All income derived from the common elements shall be income of the Association. The Board of Directors may, in its discretion, use such income to help meet the expense of maintaining the common elements or for such other purpose as may benefit the Association and the Unit owners in a substantially equal manner.

5. Limited Common Elements. The following shall constitute limited common elements, the use of which shall be restricted to the Units to which they pertain:

5.1 Description of Limited Common Elements.

- (a) Terraces as shown on the Plat are limited common elements appertaining to Units 301 and 302; and
- (b) Each parking space assigned to a Unit (as designated on the Plat) as follows:

<u>Parking Space Designation</u>	<u>Unit</u>
PS A	204
PS B	202
PS C	301
PS D	301
PS E	102
PS F	104
PS G	302
PS H	302
PS I	201
PS J	101
PS K	203
PS L	103

- (c) Each Unit will have an assigned storage space as designated on the Plat as follows:

<u>Storage Unit Designation</u>	<u>Unit</u>
SS A	204
SS B	202
SS C	101
SS D	301
SS E	302
SS F	203
SS G	102
SS H	104
SS I	103

**5.2 Maintenance, Repair and Replacement of Limited Common Elements:**

**Liability for Common Expense.** Except as otherwise specifically provided in this Declaration, the cost of maintenance, repair and replacement of the limited common elements shall be a common expense, which shall be assessed and apportioned pursuant to Sections 3.5 and 10.6 of this Declaration, and the performance of such work shall be the responsibility of the Association, except that any damage caused by the negligence or intentional act of an Owner or his invitee, guest, tenant or servant shall be repaired by the Association at such Owner's sole cost and expense.

**6. General Common Element Parking.** No Owner may park a vehicle owned by or registered to an Owner, tenant or member of an Owner's or tenant's household in any portion of



the common elements except for assigned parking spaces which are limited common elements of an Owner's Unit.

7. Voting. The owner or co-owners of each Unit shall be entitled to a total of one (1) vote per Unit. "Majority" or "Majority of Unit Owners" shall mean the owners of more than fifty percent (50%) of the voting rights allocated to the Units by the Declaration. The calling and conducting of meetings of the Association and the exercise of voting rights shall be controlled by the Bylaws.

8. Use of Property.

8.1 General. Each Unit shall be used for residential purposes only. The common elements shall be used for furnishing of services and facilities to Unit owners. Every Unit owner shall have an easement to enjoy and use the general common elements in the manner for which they were intended. Additional restrictions and regulations shall be set forth in the Bylaws and rules or regulations adopted pursuant to the provisions of the Bylaws.

8.2 Rules and Regulations Promulgated by the Association. The Board of Directors shall have the authority from time to time to promulgate such policies, rules and regulations as the Board may deem to be in the best interest of the Association, including rules relating to use of common elements and describing the respective insurance obligations of Unit Owners and the Association.. No person shall use the common elements, the Units, or any part thereof in any manner contrary to or inconsistent with such rules and regulations. Without limiting the generality of the foregoing, the Board of Directors shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the common elements to the members of the Association and their respective families, guests, invitees and servants. Such use may be conditioned upon, among other things: (a) the payment by the Unit owner of assessments for common expenses and such other assessments or fees as may be established by the Association for the purpose of defraying the costs associated with the use of such common elements and the administration and operation of the Condominium Property; and (b) the observance by the Unit owner and his or her guests, invitees and servants, of the provisions of the Declaration, the Bylaws and the Association's rules and regulations. The Board of Directors shall have the authority to fine Owners who are not in compliance with the rules and regulations. The amount and the procedure to impose such fines shall be established by Board resolution.

8.3 Right of Ingress and Egress. Each Unit owner shall have a perpetual right of ingress and egress to and from the Owner's Unit. This right shall pass to all successors in interest to the Unit when the Unit is transferred voluntarily, involuntarily, or by operation of law. Any attempt to transfer voluntarily or involuntarily any common element ownership interest separately from the transfer of the Unit to which such interest pertains shall be void.

9. Contracts and Leases. All contracts or leases that are entered into before the turnover meeting (including any management contract) shall be terminable without penalty by the

Association or the Board of Directors upon not less than ninety (90) days' written notice to the other party by the Association given not later than thirty (30) days after the turnover meeting. Provided, however, that any such contracting or leasing party may request the Association to affirm the continuation of any such agreement for the balance of its stated term. Affirmation by the Association after transfer of control shall extinguish all termination rights of the Association under this Section

10. Bylaws: Association: Management.

10.1 Adoption of Bylaws. On behalf of the Association, the Declarant hereby adopts the Bylaws attached hereto as Exhibit "B" to govern the administration of the Condominium. The Bylaws shall be effective upon the execution and recording of this Declaration.

10.2 Association: Membership. The name of the Association shall be Twenty-Two Twenty-Two Hoyt Street Condominium Association. Each owner of a Unit in the Condominium shall be a member of the Association, and membership therein shall be limited to Unit owners and contract vendees of Units only. The Association, which shall be organized upon the recording of the Declaration and the Bylaws, shall serve as a means through which the Unit owners may take action with regard to the administration, management and operation of the Condominium. The Association shall be an Oregon nonprofit corporation. The Association shall operate under the name Twenty-Two Twenty-Two Hoyt Street Condominium Association or as close to that name as is permitted by the Oregon Secretary of State. If the Association is subsequently incorporated, the name of the Association shall include the complete name of the Condominium and shall be as close to that name as is possible.

10.3 Management: Board of Directors. The affairs of the Association shall be governed by a Board of Directors as provided in the Bylaws. The Board of Directors shall elect officers consisting of a chairperson, secretary and treasurer and such other officers as the Board of Directors deems prudent or convenient. Pursuant to the provisions of the Bylaws and the Oregon Condominium Act, the Board of Directors may adopt administrative rules and regulations governing details of the operation, maintenance and use of the Condominium property. The Board of Directors may contract with a professional manager or management firm to manage some or all of the affairs of the Association.

10.4 Interim Board and Officers. The Declarant has reserved control over the administration of the Association by reserving the right in the Bylaws to appoint an interim Board of Directors consisting of one person to manage the Condominium until the turnover meeting. The turnover meeting shall be held within ninety (90) days after the earlier of the following dates: the date on which seventy-five percent (75%) of the Units in the Condominium have been conveyed to persons other than the Declarant or the date on which three (3) years have elapsed since the date of the first conveyance of a Unit in the Condominium to a person other than the Declarant. The one (1) member of the interim board shall also serve as the interim officer.

10.5 Powers and Duties of the Association. The Association and the Board of Directors shall have the powers and duties granted to them by this Declaration, the Articles of Incorporation for the Association, the Bylaws, and ORS 100.405(4) and all other provisions of the Oregon Condominium Act.

10.6 Covenant to Pay Assessments: Liability for Common Expense. Each owner hereby covenants to pay to the Association annual assessments for common expenses as more fully provided in the Bylaws. No owner may avoid liability for assessments by abandonment of his Unit or non-use of the common elements. Except as otherwise provided in this Declaration or the Bylaws, each Unit and the owner thereof shall be liable for the common expense and funding of the replacement reserves, both of which shall be apportioned among the Units based upon each Unit's percentage of ownership in the common elements allocated to such Unit. Certain services provided through the Association, such as basic cable television service, may be billed on a per unit basis rather than on the basis of percentage ownership. No offset against any assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its obligations. Assessments shall be levied against all Units not later than the first day of the month next following the date when the first Unit is conveyed to a person other than the Declarant.

10.7 Common Profits. Common Profits, if any, shall be distributed among the Unit Owners in accordance with the percentage ownership interests of the Owners of Units as set forth in Section 3.5 hereof and as more fully provided in the By-laws.

10.8 Delegation. Nothing in this Declaration shall be construed to prohibit the Association or the Board of Directors from delegating to persons, firms or corporations of its choice the performance of such duties as may be imposed upon the Association or the Board of Directors by this Declaration, any Supplemental Declaration, Articles of Incorporation, the Bylaws, Association rules or regulations, or applicable law.

11. Service of Process. The designated agent to receive service of process in cases set forth in ORS 100.550(1) is named in the Condominium Information Report, which shall be filed with the Oregon Real Estate Agency in accordance with ORS 100.250(1).

12. Mortgagees. In the event of a conflict between this Section 12 and other provisions of this Declaration or any Supplemental Condominium Declaration, the provisions of this Section 12 shall prevail. The terms "Mortgage" and "Mortgagee" are defined in Section 1 of this Declaration.

12.1 Notice of Action. Upon the written request of a Mortgage holder, insurer, or guarantor to the Association, identifying the name and address of such person and the number or address of the Unit on which a Mortgage has been placed, such Mortgagee, insurer or guarantor shall be entitled to timely notice of the following:

- (a) Any condemnation loss or casualty loss that affects either a material portion of the Condominium or any Unit securing its Mortgage;
- (b) Any thirty (30) day delinquency in the payment of assessments or charges owed by an owner of any Unit on which it holds a Mortgage;
- (c) Any lapse, cancellation or material modification of any insurance policy maintained by the Association;
- (d) Any proposed action that would require the consent of a specified percentage of eligible Mortgage holders.

12.2 Mortgagee Exempt From Certain Restrictions. Any Mortgagee that comes into possession of the Unit pursuant to the remedies provided in the Mortgage, by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal" or other restriction on the sale or rental of the mortgaged Unit, including, but not limited to, restrictions on the age of Unit occupants and restrictions on the posting of signs pertaining to the sale or rental of the Unit. Provided, however, that Mortgagees shall not be exempt from the restriction that Units cannot be rented for periods of fewer than thirty (30) days.

12.3 Subordination of Association Lien to Mortgage: Discharge of Lien Upon Foreclosure. The lien of the Association shall be subordinate to any first Mortgage. Any first Mortgagee that comes into possession of the Unit pursuant to the remedies provided in the Mortgage, by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, and any purchaser at the foreclosure sale of a first Mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue before such Mortgagee comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units, including the mortgaged Unit).

12.4 Professional Management. Upon the written request of holders of first Mortgages that represent at least seventy-five percent (75%) of the votes of mortgaged Units in the Condominium, the Board of Directors shall employ a professional manager to manage the affairs of the Association. Without the prior written approval of the holders of first Mortgages that represent at least fifty percent (50%) of the votes of mortgaged Units in the Condominium, the Association may not terminate professional management and assume self-management of the Condominium. Additionally, if professional management has previously been required by any Mortgage holder, any such decision to establish self-management shall require prior consent of the owners of Units to which fifty percent (50%) of the votes in the Association are allocated. Any agreement for professional management shall provide that the management contract may be terminated for cause on ninety (90) days' written notice.

12.5 Consent of Mortgagees to Change Percentage Ownership in Common Elements. The Unit owners may not reallocate the percentage of interest in the common elements attributable to any Unit without the prior written approval of holders of first Mortgages that represent at least seventy-five percent (75%) of the votes of mortgaged Units with respect to which the percentage of ownership is proposed to be altered. Nothing in this Section 12.5 shall be construed to give the owners, the Association, or the Board of Directors, any specific authority to alter such percentage of ownership and, if any attempt is made to do so, full compliance shall be made with the Declaration, the Association's Articles of Incorporation, any Supplemental Condominium Declaration, Bylaws and the Oregon Condominium Act.

12.6 Consent of Mortgagees Required to Terminate Project. Except with respect to termination of the Condominium as a result of destruction, damage or condemnation, any termination of the Condominium shall require the written approval of holders of first Mortgages that represent at least seventy-five percent (75%) of the votes of mortgaged Units in the Condominium. Provided, however, such consent will be deemed given if a Mortgagee does not object in writing within sixty (60) days after notice of the proposed termination. Additionally, any such terminations shall be carried out by the owners pursuant to provisions of the Declaration, any applicable Supplemental Condominium Declaration, the Association's Articles of Incorporation, the Bylaws and the Oregon Condominium Act and shall be carried out only after vote of the owners, as provided in such provisions.

12.7 Limited Right of Amendment. Except upon the written approval of holders of first Mortgages that represent at least seventy-five percent (75%) of the votes of Mortgaged Units in the Condominium, no amendment that adds to or amends any material provision that establishes, provides for, governs or regulates any of the following may be made to the Declaration or the Bylaws:

- (a) voting rights;
- (b) increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), or change the provisions of this Declaration relating to assessment liens;
- (c) reductions in reserves for maintenance, repair, and replacement of common elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interests in the general or limited common elements, or rights to their use;
- (f) redefinition of any Unit boundaries;

- (g) convertibility of Units into common elements or vice versa;
- (h) expansion or contraction of the Condominium project, or the addition, annexation, or withdrawal of property to or from the Condominium project;
- (i) hazard or fidelity insurance requirements;
- (j) imposition of any restrictions on the reaming of Units;
- (k) imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- (l) restoration or repair of the Condominium (after damage or partial condemnation) in a manner other than that specified in the documents; or
- (m) any provisions that expressly benefit Mortgage holders, insurers, or guarantors.

The provisions of this Section are intended to limit only the right of the Unit owners, the Board of Directors and the Association to amend the Declaration and the Bylaws, and are not intended to give any such parties any specific rights to effect any amendments. Any amendments to the Declaration or the Bylaws shall be made only upon full compliance with the provisions of the Declaration, the Bylaws and the Oregon Condominium Act relating to the procedure and percentage of votes required for such amendment. An addition or amendment to the Declaration or the Bylaws shall not be considered to be material so as to require the consent or approval of Mortgagees, if its purpose is to correct technical errors or if it to clarify.

12.8 Request for Approval of Mortgagees. Any Mortgagee that receives a written request to approve additions or amendments to the Declaration or the Bylaws, or any other action to be taken by the Board of Directors, the Association or Unit owners shall be considered to have given such approval unless such Mortgagee delivers or posts a negative response within sixty (60) days after receipt of such request.

12.9 Proxy Held by Mortgagee in Certain Cases. If a Mortgagee reasonably believes that the Association has failed to maintain the common elements so as to prevent excessive wear and tear, such Mortgagee may attend a meeting of the Association and may cast the vote of the Mortgagor of the Unit on which such Mortgagee holds a Mortgage if the proposal under consideration concerns painting or otherwise maintaining the common elements, including imposing special assessments necessary to pay for such maintenance. Provided, however, such right shall arise only in the event the Mortgagee reasonably believes the Association has failed to maintain the common elements in sufficient manner to prevent excessive wear and tear.

12.10 Right to Examine Documents. The Association shall make available to Unit owners, lenders and Mortgagees current copies of the Declaration, the Bylaws, the Articles of Incorporation, other rules concerning the Condominium, and the books, records and financial statements of the Association. The Association shall have the right to impose a reasonable charge for any copies requested by owners, lenders or Mortgagees.

12.11 Right to Receive Annual Reports. The holders of first Mortgages representing at least seventy-five percent (75%) of the votes of mortgaged Units in the Condominium shall be entitled to have an audited financial statement prepared at their expense if such statement is not otherwise available. The Association and its officers, directors and manager (if any), shall cooperate with such Mortgage holders and their auditors to facilitate the necessary auditing and review process. Such financial statement shall be furnished within a reasonable time following request.

12.12 Right to Receive Written Notice of Meetings. Upon a Mortgagee's written request, the Association shall give all Mortgagees written notice of all meetings of the Association, and such Mortgagees shall be permitted to designate a representative to attend all such meetings.

12.13 List of Mortgagees. The Association shall maintain at all times a list of Mortgagees who have given the Association notice on any matter described in Section 12 of this Declaration, which list shall include their names, addresses, the Units and mortgagors affected, and the matters with respect to which such Mortgagees have requested notice, provided that such information has been furnished to the Association by the owners or their Mortgagees.

13. Amendments to Declaration. Except where a larger percentage of approval is required by law, this Declaration may be amended from time to time by approval of Unit owners holding seventy-five percent (75%) or more of the voting rights as otherwise set forth in this Declaration. Provided, however, that this Declaration shall not be amended to reduce or eliminate the rights of any Mortgagee without all such Mortgagees' prior written consent. No amendment may change the size, location, percentage of interest in the common elements, method of determining liability for common expenses, right to common profits or voting power of any Unit(s) unless such amendment has been approved by the owners and the Mortgagees of the affected Unit(s).

13.1 Declarant's Approval Required. Declarant's prior written consent shall be required for any amendment to this Declaration until the earlier of the following dates: the date on which seventy-five percent (75%) or more of the Units in the Condominium have been conveyed to owners other than the Declarant, or the date on which three (3) years have elapsed since the first conveyance of a Unit in the Condominium. Provided, however, that even thereafter, no amendment may limit or reduce any of the Declarant's special rights, whether reserved herein or otherwise provided by law.

13.2 Recordation/County Assessor and Commissioner Approval Required. An amendment to the Declaration shall be effective upon recordation in the Deed Records of Multnomah County, Oregon, certified to by the chairperson and secretary of the Association. If required by law, an amendment shall be approved by the County Assessor and the Real Estate Commissioner. Approval by the Commissioner shall not be required for an amendment to a declaration transferring the right of use of a limited common element pursuant to ORS 100.515(5).

14. Subdivision. No Unit may be subdivided or partitioned into divisions of any nature.

15. Authority to Grant Easements, Rights-of-Way, Licenses and Other Similar Interests/Encroachments.

15.1 General. The Association shall have the authority and in accordance with ORS 100.405(5)(6)(7)(8) and any successor statute, to execute, acknowledge, deliver and record easements, rights-of-way, licenses and other similar interests affecting the general common elements on behalf of Unit owners, provided that the granting of any such interest has been approved by at least seventy five percent (75%) of the Unit owners. An instrument granting any such interest shall be executed by the chairperson and secretary of the Association, shall be acknowledged in the manner provided for acknowledgment of such instruments by such officers, and shall state that such grant was approved by at least seventy five percent (75%) of the unit owners.

15.2 Utility Easements: Dedications. Anything in this Declaration to the contrary notwithstanding, the Declarant shall have the right to execute, deliver and record on behalf of the Association and the Unit owners such documents as may be required to grant easements, rights-of-way and licenses over the common elements for the installation, maintenance and repair of public utilities serving the Condominiums or adjacent property. The Declarant shall also have the right to execute, deliver and record on behalf of the Association and the Unit owners such deeds and other documents as may be required to convey, dedicate, or grant such easements, rights-of-way or licenses over common elements, as may be required by any government or governmental agency in order to complete development of the Condominiums. To effect the intent of this Section 15.2, each Unit owner, by acceptance of a deed or contract to a Unit, whether or not it shall be expressed in such deed or contract, for himself and his successors in interest, irrevocably appoints Declarant, or his nominee, as his lawful attorney-in-fact for the purpose of executing any and all documents required or permitted to be executed hereunder. The Power of Attorney and the rights under this Section shall expire at such time as the Declarant no longer owns a Unit or three (3) years from the date this Declaration is recorded, whichever is earlier.

15.3 Encroachments. There shall be an easement for any encroachment of the common elements on any Unit or an encroachment of any Unit on the common elements or another Unit arising from the original construction, reconstruction, authorized repair, shifting, settling or other movement of any portion of the condominium improvements. Such easements



shall exist indefinitely and may be terminated only by the voluntary act of the party who benefits from the easement(s).

16. Declarant's Special Rights. The Declarant shall have the following special rights:

16.1 Sales Office and Model. The Declarant shall have the right to maintain sales and/or rental offices and sales and/or rental models in one or more of the Units that Declarant owns. Declarant, its agents and prospective purchasers shall have the right to park automobiles in the parking area on the common elements and to use and occupy the sales and/or rental office and models during reasonable hours any day of the week.

16.2 "For Sale" and "For Rent" Signs . The Declarant may maintain a reasonable number of "For Sale" and/or "For Rent" signs at reasonable locations on the Condominium property.

16.3 No Capital Assessments Without Consent. Neither the Association nor the Board of Directors shall make any assessments for new construction, acquisition, capital improvements or otherwise without the prior written consent of the Declarant, as long as the Declarant owns one or more Units. Nothing contained in this Section 16.3 shall be construed to limit Declarant's obligation to pay assessments for common expenses on Units owned by the Declarant pursuant to requirements of the Oregon Condominium Act.

16.4 Common Element Maintenance by the Association. The Association shall maintain all common elements in a clean and attractive condition. If the Association fails to do so, the Declarant may perform such maintenance at the expense of the Association.

16.5 Declarant's Easements. The Declarant and its agents and employees, shall have an easement on and over the common elements for the completion of any portion of the Condominiums, including the furnishing and decoration of any Unit, sales office or model, and the right to store materials on the common elements at reasonable places and for reasonable lengths of time.

16.6 Declarant's Other Special Rights. The rights reserved to the Declarant in this Section 16 shall in no way limit any other special rights that Declarant, as a declarant, may have, whether pursuant to the Oregon Condominium Act or otherwise. Upon the expiration of any or all such special rights, the Declarant shall have the same rights as any other owner in the Condominiums with respect to such ownership.

16.7 Assignment of Declarant's Rights. The Declarant shall have the right to assign any and all of its rights, including, without limitation, Declarant's special rights, as set forth in thin Section 16, or to share such rights with one (1) or more other persons exclusively, simultaneously, or consecutively.

16.8 Expiration of Declarant's Special Rights. Unless otherwise provided, the Declarant's special rights, as reserved in this Section 16, shall expire upon the conveyance by the Declarant of the last Unit owned by the Declarant or five (5) years after the first conveyance of a Unit in the Condominiums, whichever is earlier.

17. Right to Make Additions to Common Elements. The Declarant reserves the right to create additional common elements consisting of part of the Condominiums buildings, land, pavement, landscaping and parking spaces. However, the Declarant does not reserve the right to create substantial recreational amenities.

18. General Provisions.

18.1 Interpretation. The rights and obligations of all members of the Association and any person dealing with the Association or any of its members with respect to matters pertaining to the Declaration, Articles of Incorporation, any Supplemental Declaration or the Bylaws shall be interpreted in accordance with and governed by the laws of the State of Oregon.

18.2 Severability. Each provision of the Declaration, any Supplemental Declaration, the Articles of Incorporation and the Bylaws shall be independent and severable. The invalidity or partial invalidity of any provision thereof shall not affect any of the remaining portions of that or any other provision of this Declaration or the Bylaws.

18.3 Waiver of Rights. The failure of the Association, the Board of Directors, an officer or a Unit owner to enforce any right, provision, covenant or condition provided in the Declaration, any Supplemental Declaration, Articles of Incorporation or the Bylaws shall not constitute a waiver of the right of any such party to enforce such right, provision, covenant or condition in the future.

18.4 Legal Proceedings. Failure to comply with any of the terms of the Declaration, any Supplemental Declaration, Articles of Incorporation, the Bylaws and any rules or regulations adopted thereunder shall be grounds for relief, which may include, without limitation, fining the noncomplying owner, bringing an action to recover money due, damages or a suit for injunctive relief, or an action to foreclose a lien, or any combination thereof. Relief may be sought by the Association, Board of Directors, an officer, a professional manager or management firm, or, if appropriate, by an aggrieved Unit owner.

18.5 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit owner to comply with the terms and provisions of this Declaration (as amended or supplemented), the Bylaws (as amended), Articles of Incorporation, rules and regulations adopted under the Bylaws, or the Oregon Condominium Act, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorneys' fees as may be determined by the trial court in any trial or by the appellate court in any appeal thereof. In


addition, the Association shall be entitled to recover costs and attorneys' fees incurred by it to collect delinquent assessments or fines, or to enforce the terms of the Declaration, Bylaws or any rules or regulations promulgated thereunder whether or not any collection or foreclosure action or suit is filed.

18.6 Compliance. Each Unit owner shall comply with the provisions of the Declaration, Articles of Incorporation, and the Bylaws, and with the administrative rules and regulations adopted thereunder, and with all other applicable covenants, conditions and restrictions of record. Failure to comply therewith shall be grounds for suit or action, maintainable by the Association or any Unit owner in addition to other sanctions that may be provided by the Bylaws or by any existing administrative rules and regulations.

18.7 Conflicting Provisions. In the event of a conflict between or among the provisions of the Declaration, the Articles of Incorporation of the Association, the Bylaws and any administrative rules and regulations, the provisions of the Declaration shall be paramount to those of the Articles, Bylaws and the rules and regulations, and the Articles shall be paramount to the Bylaws and the rules and regulations and those of the Bylaws shall be paramount to the rules and regulations. For purposes of this Section 18.7, the term "Declaration" shall include all amendments to this Declaration and Supplemental Declarations, and the term "Bylaws" shall include all amendments to the Bylaws.

18.8 Section and Paragraph Captions. Section and paragraph captions shall not be deemed to be a part of this Declaration unless the context otherwise requires. In construing this Declaration, if the context so requires, the singular shall be taken to mean and to include the plural, the masculine shall be taken to mean and to include the feminine and the neuter and, generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to individuals, trusts, estates, personal representative, trustees and corporations.

The undersigned Declarant of the subject property has caused this Declaration to be executed this 6<sup>th</sup> day of May, 2005.

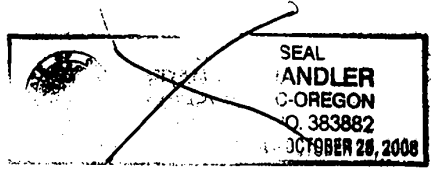
  
\_\_\_\_\_  
Timothy R. Ralston

[Acknowledgment of Declarant's signature and required approvals appear on the following page]

STATE OF OREGON )  
 ) ss.  
County of )



Personally appeared before me on this 5<sup>th</sup> day of May, 2005, the above-named Timothy R. Ralston who, being duly sworn, acknowledged said instrument to be his voluntary act and deed.



Fran W. Chandler  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 10-28-08

The foregoing Declaration is approved pursuant to ORS 100.110 this 12 day of MAY, 2005 and, in accordance with ORS 100.110(7), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this date.

SCOTT W. TAYLOR  
Real Estate Commissioner

By: [Signature]

The foregoing Declaration is approved pursuant to ORS 100.110 this 13<sup>th</sup> day of May, 2005.

COUNTY ASSESSOR

By: [Signature]

## EXHIBIT "A"

Lots 1 and 2, Block 17, "KING'S SECOND ADDITION TO THE CITY OF PORTLAND", situated in the Northwest quarter of Section 33, Township 1 North, Range 1 East, Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, being more particularly described as follows:

Beginning at the initial point, said point being a found 5/8-inch iron rod with yellow plastic cap marked "Westlake Consultants" located at the Southeast corner of said Lot 2, Block 17, "KING'S SECOND ADDITION TO THE CITY OF PORTLAND"; thence West, along the South line of said Lot 2, a distance of 100.00 feet to the Southwest corner of said Lot 2; thence North, along the West line of said Lots 2 and 1, a distance of 100.00 feet to the Northwest corner of said Lot 1, said point being on the South right-of-way line of NW Hoyt Street; thence East, along said South right-of-way line and the North line of Lot 1, a distance of 100.00 feet to the Northeast corner of said Lot 1, said point being on the West right-of-way line of NW 22nd Avenue; thence South, along said West right-of-way line and the East line of Lots 1 and 2, a distance of 100.00 feet to the initial point.

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BYLAWS  
OF  
TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS ASSOCIATION  
Exhibit "B" to Condominium Declaration  
("the Declaration")

ARTICLE 1

PLAN OF UNIT OWNERSHIP

1.1 Unit Ownership. The condominium project, located in the City of Portland, County of Multnomah, State of Oregon, known as Twenty-Two Twenty-Two Hoyt Street Condominiums, is submitted to the provisions of ORS 100.005 et seq., the Oregon Condominium Act, by that certain "Declaration Submitting Twenty-Two Twenty-Two Hoyt Street Condominiums to Condominium Ownership" recorded \_\_\_\_\_, 20\_\_ in the official records of Multnomah County, Oregon (the "Declaration") and these Bylaws.

1.2 Bylaws Applicability. The provisions of these Bylaws are applicable to Declarant and its successors and assigns, the Twenty-Two Twenty-Two Hoyt Street Condominiums Association, an Oregon non-profit corporation, ("Association") and the entire management structure thereof. (The term "Condominium" as used herein shall include the land.)

1.3 Personal Application. All present or future owners, tenants, future tenants or their employees, or any other person that might use the facilities of the Condominium in any manner, are subject to the regulations set forth in these Bylaws. The acquisition, occupancy or rental of any of the Units of the Condominiums or the mere act of occupancy of any such Units will constitute acceptance and ratification of these Bylaws and agreement to comply with all the provisions hereof.

1.4 Definitions Except as otherwise provided below, the terms herein shall have the meaning set forth in the Oregon Condominium Act, ORS 100.005 et. seq., as supplemented by the Declaration, and said statute and definitions are incorporated herein by this reference.

ARTICLE 2

ASSOCIATION MEMBERSHIP, VOTING,  
MAJORITY OF OWNERS, QUORUM, PROXIES

2.1 Membership in the Association. Upon recordation of a conveyance or contract to convey a Unit, the grantee or purchaser named in such conveyance or contract shall automatically be a member of the Association and shall remain a member of the Association until such person's ownership ceases for any reason. For all purposes of the Declaration and the administration of the Condominiums, Unit ownership shall be determined on the basis of the

records maintained by the Association. The record shall be established by the Unit owner filing with the Association a copy of the deed to or land sale contract for his Unit, to which shall be affixed the certificate of the recording officer of the County of Multnomah, Oregon, showing the date and place of recording of such deed or contract. No person shall be recognized as a Unit owner unless a copy of the deed or contract showing him to be the current owner or contract purchaser of a Unit, has been filed with the Association as provided above. Notwithstanding the foregoing, the Declarant shall be the owner of all previously unsold Units, although no deed or land sale contract, with respect to such Units, has been filed with the Association.

2.2 Voting. The owner or co-owners of each Unit shall be entitled to one vote per Unit. The calling and conducting of meetings of the Association and the exercise of voting rights shall be controlled by Articles 2 and 3 of the Bylaws.

2.3 Majority of Owners. As used in these Bylaws, the term "majority of owners" shall mean those owners holding over fifty percent (50%) of the voting rights allocated to the Unit owners in accordance with the Declaration and Section 2.2 above. "Majority of owners present" shall mean owners holding over fifty percent (50%) of the votes rights present at any legal meeting as defined in Section 2.8 hereof.

2.4 Quorum. Except as otherwise provided in these Bylaws, the presence in person, by proxy or by ballot of owners holding fifty per cent (50%) or more of the outstanding votes in the Condominiums, as defined in Section 2.2 hereof, shall constitute a quorum.

2.5 Proxies; Ballots. Votes may be cast in person, by proxy or by written ballot. Proxies must be filed with the secretary of the Association ("Secretary") before or during the appointed meeting. An owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the association of unit owners. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one year after its date unless the proxy specifies a shorter term. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. In the sole discretion of the Board of Directors, a meeting of the Association may be held by ballot rather than at a formal gathering. Ballots for such meeting must be properly executed and returned in sufficient quantity to constitute a quorum and/or to pass the proposal(s) specifically propounded on the ballot. Unless withdrawn, a proxy given to another person to vote at a specific meeting also shall be valid at an adjourned meeting called under the provisions of Section 3.8 hereof. No cumulative voting shall be permitted.

2.6 Authority to Vote. All owners, including those who have leased their premises to a third party, shall be entitled to vote. An owner's right to vote may not be revoked, but may be suspended by action of the Board of Directors after reasonable notice and opportunity to cure for delinquency in payment of assessments or failure to comply with the Declaration, these Bylaws, or any rule or regulation adopted by the Association and in effect from time to time. Upon cure of such delinquency or failure to comply, an Owner's right to vote will be reinstated by the Board of

Directors at the regular or special meeting of the Board of Directors next occurring after the cure has been effected. A purchaser under a land sale contract who is entitled to immediate possession of the Unit shall be deemed to be the owner thereof, unless otherwise provided in such contract.

2.7 Fiduciaries and Joint Owners. An executor, administrator, guardian or trustee may vote, in person, by proxy or by ballot, at any meeting of the Association with respect to any Unit owned or held by him in such capacity, whether or not the same shall have been transferred to his name; provided, that he shall satisfy the Secretary that he is the executor, administrator, guardian or trustee, holding such Unit in such capacity. Whenever any Unit is owned by two (2) or more persons jointly according to the records of the Association, the vote of such Unit may be exercised by any one (1) of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of such disagreement and such protest, the vote of such Unit shall be disregarded completely in determining the proportion of votes given with respect to such matter. A valid court order may establish the right of co-owners' authority to vote.

2.8 Actions by Association: Legal Meetings. Except as otherwise provided in the Declaration, the Articles of Incorporation, these Bylaws, the Oregon Condominium Act or the Oregon Nonprofit Corporation Act, decisions and resolutions of the Association shall require approval by a majority of voting rights of owners present at any legal meeting. For purposes of these Bylaws, a legal meeting is one duly called pursuant to these Bylaws at which a quorum is present in person or by proxy, or by ballot where the number of owners casting written ballots constitutes a quorum.

### ARTICLE 3

#### ADMINISTRATION

3.1 Association Responsibilities. The owners of the Units constitute the members of the Association which has the responsibility of administering the project, approving the annual budget, establishing and collecting assessments and arranging for the operation, management and maintenance of the Condominium, including negotiating and contracting with and supervising any person or business entity with respect to such matters. The Association shall be incorporated as an Oregon nonprofit corporation.

3.2 Place of Meetings. Formal meetings of the Association shall be held at the principal office of the Condominium or such other place that is convenient to the owners as may be designated by the Board of Directors. The outcome of a ballot meeting shall be determined by the Board of Directors within forty-eight (48) hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within forty-eight (48) hours of the postponed date. Each Unit owner shall be notified within ten (10) days after the ballots have been counted, by

mail or other delivery of written notice, of the results of the ballot meeting or that a quorum of ballots was not returned.

3.3 Turnover Meeting. The turnover meeting (which shall constitute the initial organizational meeting of the Association) shall be held within ninety (90) days after the earlier of the following: the date on which seventy-five percent (75%) of the Units that the Declarant has reserved the right to create have been conveyed to persons other than the Declarant or the date on which three (3) years have elapsed since the first conveyance of a Unit to someone other than the Declarant. The turnover meeting shall be called by notice to all Unit owners of the time, place and purpose thereof not less than seven (7), nor more than fifty (50), days before the meeting. If such meeting is not called by the Declarant within the time specified, the meeting may be called and notice given by a Unit owner.

At the turnover meeting, the Declarant shall relinquish control of the administration of the Association and the Unit owners shall assume such control and shall elect a board of directors ("Board of Directors") in accordance with the provisions of Article 4 of these Bylaws. Additionally, the Declarant shall deliver to the Association those items specified in the Oregon Condominium Act to be turned over by the Declarant at the turnover meeting. To facilitate an orderly transition, during the three (3) month period following the turnover meeting, the Declarant or an informed representative shall be available to meet with the Board of Directors on at least three (3) mutually acceptable dates to review the documents delivered to the Association as required by the Oregon Condominium Act and as referred to above.

3.4 Annual Meetings. The first annual meeting of the Association shall be held during the calendar year following the calendar year during which the turnover meeting is held, and its date shall be set by action of the Board of Directors. All subsequent meetings shall be held at least once each calendar year. The date of the annual meetings may be changed from time to time, at the discretion of the Board of Directors. At such annual meetings, new members of the Board of Directors shall be elected by the owners in accordance with the requirements of Section 4.6 of these Bylaws, to replace those directors whose terms have expired. The owners may also transact such other business of the Association as may properly come before them.

3.5 Special Meetings. Special meetings of the association may be called by the Chairperson of the Board of Directors, a majority of the Board of Directors or upon the presentation to the Secretary of a petition signed by twenty-five percent (25%) or more of the owners. All meetings called because of petition of Unit owners shall be held at a formal gathering and not by ballot, and shall be held within twenty (20) days after receipt of the petition. No business, except as stated in the notice therefor, shall be transacted at a special meeting unless by consent of all the owners of the Units or as otherwise set out in these Bylaws.

3.6 Notice of Meetings. The Secretary, or other officer of the association, shall mail by first class or shall hand deliver a notice of each annual or special meeting, stating the time and place where it is to be held, the items on the agenda, including the general nature of any proposed

amendment to the declaration or bylaws, any budget changes or any proposal to remove a director or officer of the association, to each owner of record at least ten (10) but not more than fifty (50) days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. The mailing shall be to each unit or to the mailing address designated in writing by the owner, and to all mortgagees that have requested such notice. Mortgagees may designate a representative to attend an annual or special meeting called. The Secretary shall hand deliver or mail by first class or certified mail written ballots for ballot meetings to each owner of record not less than thirty (30) days prior to the date on which such ballots must be received by the Association in order to be counted. If Unit ownership is split or the Unit has been sold on a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If no address has been given to the Secretary in writing, then mailing to the Condominium Unit shall be sufficient. The mailing of a notice in the manner provided in this Section shall be considered notice served.

**3.7 Adjourned Meetings.** If any gathering of owners is not a legal meeting because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than twenty-four (24) hours nor more than seven (7) days from the time the original meeting was called. The Board of Directors may postpone the date for counting the ballots of a ballot meeting, in one or more postponements, for up to thirty (30) days after the originally scheduled ballot return date if a quorum of ballots has not been returned and/or for matters on which a certain percentage approval is required and that vote has not been received nor have sufficient votes in opposition been received to negate such approval.

**3.8 Ballot Meetings.** Unless prohibited or limited by the Articles of Incorporation of the Association, and subject to the provision set forth in Section 4.8, and except for the turnover meeting required under ORS 100.210 (and any successor statute) and the annual meeting of the Association if more than a majority of the Units are the principal residences of the occupants, any action that may be taken at any meeting of the Unit owners may be taken without a meeting if the Association delivers a written ballot to every Unit owner entitled to vote on the matter. The Board of Directors shall provide Owners with at least ten (10) days' notice before written ballots are mailed or otherwise delivered, which notice shall state: (i) the general subject matter of the vote by written ballot; (ii) the right of Owners to request secrecy procedures; (iii) the date after which ballots may be distributed; (iv) the date and time by which any petition must be received by the Board of Directors requesting secrecy procedures; and (v) the address where any petition must be delivered. If, at least three (3) days before written ballots are scheduled to be mailed or otherwise distributed, at least ten percent (10%) of the owners petition the Board of Directors requesting secrecy procedures, a written ballot must be accompanied by: (i) a secrecy envelope; (ii) a return identification envelope to be signed by the owner; and (iii) instructions for marking and returning the ballot. Such ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. A proposed action shall be deemed to be approved by written ballot when the number of votes cast by ballot equals or exceeds any quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which

the total number of votes cast was the same as the number of votes cast by ballot. The proposal will be deemed rejected when the number of votes cast in opposition renders approval impossible or when both the date for return of ballots has passed and such required percentage has not been met. The votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date they are counted.

3.9 Order of Business. The order of business at all meetings of the owners of Units shall be as follows unless the Board of Directors sets a different agenda:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of the preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New business.

3.10 Conduct of Meetings. All meetings of the members of the Association shall be conducted in accordance with Robert's Rules of Order.

## ARTICLE 4

### BOARD OF DIRECTORS

4.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons, each of whom must be an owner or a co-owner of a Unit. Provided, however, that if a Unit is owned by more than one (1) owner, only one (1) owner of that Unit may serve on the Board of Directors at any one time. An officer or employee of a corporation, a trustee of a trust, a personal representative of an estate, or an employee of a trust or estate, may serve on the Board of Directors, if such corporation, trust or estate owns a Unit. Notwithstanding the foregoing, prior to the turnover meeting described in the Declaration, the Board of Directors will consist of one (1) person appointed by the Declarant as provided in Section 4.5.

4.2 Powers and Duties. The Board of Directors may act on behalf of the Association and shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not limited by law, these Bylaws or the Declaration. In the performance of their duties, officers and members of the Board of Directors shall exercise the care required of fiduciaries.

4.3 Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors shall have authority to carry out and shall be responsible for the following matters:

4.3.1 Adopt and amend bylaws and rules and regulations;

4.3.2 Adopt and amend budgets for revenues, expenditures and reserves and levy and collect assessments for common expenses from unit owners;

4.3.3 Hire and terminate managing agents and other employees, agents and independent contractors;

4.3.4 Defend against any claims, proceedings or actions brought against it;

4.3.5 Initiate or intervene in litigation or administrative proceedings in its own name, and without joining individual Unit owners in: (i) matters relating to the collection of assessments and the enforcement of declarations and bylaws; (ii) matters arising out of contracts to which the association is a party; (iii) actions seeking equitable or other nonmonetary relief regarding matters that affect the common interests of the unit owners, including but not limited to the abatement of nuisance; (iv) matters relating to or affecting common elements, including but not limited to actions for damage, destruction, impairment or loss of use of any common element; (v) matters relating to or affecting the units or interests of unit owners including but not limited to damage, destruction, impairment or loss of use of a unit or portion thereof if resulting from a nuisance or a defect in or damage to a common element or required to facilitate repair to any common element; and (vi) any other matter to which the Association has standing under law or pursuant to the Declaration, Bylaws or any articles of incorporation;

4.3.6 Make contracts and incur liabilities and adopt a method for approval of payments by at least two officers of the Association;

4.3.7 Regulate the use, maintenance, repair, replacement and modification of common elements;

4.3.8 Cause additional improvements to be made as a part of the common elements;

4.3.9 Acquire by purchase, lease, devise, gift or voluntary grant real or personal property or any interest therein and take, hold, possess and dispose of real or personal property or any interest therein;

4.3.10 Impose and receive any payments, fees or charges for the use, rental or operation of the common elements;



4.3.11 Impose charges for late payment of assessments, attorney fees for collection of assessments and, after giving written notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws and rules and regulations of the association, provided that the charge imposed or fine levied by the Association is based: (i) on a schedule contained in the declaration or bylaws, or an amendment to either that is delivered to each unit, mailed to the mailing address of each unit or mailed to the mailing addresses designated in writing by the owners, or (ii) on a resolution adopted by the Board of Directors of the Association that is delivered to each Unit, mailed to the mailing address of each Unit or mailed to the mailing addresses designated by the Owners in writing;

4.3.12 Adopt rules regarding the termination of utility services paid for out of assessments of the Association and access to and use of recreational and service facilities available to Unit Owners and, after giving written notice and an opportunity to be heard, terminate the rights of any owners to receive such benefits or services until the correction of any violation covered by such rule has occurred;

4.3.13 Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of assessments;

4.3.14 Assign its right to future income, including the right to receive common expense assessments;

4.3.15 Provide for the indemnification of its officers and executive board, as may be limited by ORS 61.218 (3)(d), or any successor statute, and maintain Directors' and officers' liability insurance;

4.3.16 Exercise any other powers conferred by the Declaration or Bylaws;

4.3.17 Exercise any other powers determined by the Association to be necessary and proper for the governance and operation of the Association;

4.3.18 Cause the Association to comply with ORS 100.480 and its subparts and any successor statute(s) relating to maintenance of documents delivered to the Association by the Declarant and maintenance and distribution of financial statements and to maintain copies suitable for duplication of the following: the Declaration, the Articles of Incorporation, the Bylaws, the Association rules and regulations and any amendments thereto, the most recent annual financial statement, and the current operating budget of the Association.

4.3.19 Cause the Association to file an Annual Report with the Oregon Real Estate Agency, as provided in ORS 100.250 and ORS 100.260.

4.3.20 Fill any vacancy in its membership for the unexpired portion of any term.

4.3.21 Cause the Association to annually file the necessary income tax returns for the Association.

4.3.22 Cause the Association to prepare an annual financial statement consisting of a balance sheet and income and expenses statement for the preceding year and distribute to each Unit Owner a copy of said financial statement within ninety (90) days after the end of the preceding fiscal year.

4.4 Management Agent. The Board of Directors may employ a management agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4.3 hereof. Any such management contract must be cancelable without penalty upon ninety (90) days' written notice. Any management contract entered into by the Declarant before the turnover meeting may be canceled by the Board of Directors elected at the turnover meeting upon thirty (30) days' written notice given not later than thirty (30) days after the turnover meeting.

4.5 Interim Director. Upon the filing of the Declaration submitting the Condominium to the Oregon Condominium Act, the Declarant shall appoint an interim board of one (1) director (who need not be an owner of a Unit), who shall serve until replaced by the Declarant or successors have been elected by the Unit owners at the turnover meeting as hereinafter provided.

4.6 Election and Term of Office. At the turnover meeting, upon agreement by vote of the owners, the Board of Directors may be elected by a single ballot, with each owner permitted to vote for three (3) nominees. In such event, the nominee receiving the highest number of votes shall be a Director serving a two (2) year term, the nominee receiving the second highest number of votes shall be a Director serving a two (2) year term, and the nominee receiving the fewest votes shall be a Director serving a one (1) year term. At the expiration of the initial term of office of each respective Director, a successor shall be elected to a term of two (2) years. The Association may increase or decrease the number of Directors and length of terms for which each is elected upon amendment of this Section 4.6.

4.7 Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled for the balance of the term of each directorship by vote of a majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until his successor is elected upon expiration of the term for which such person was elected by the other Directors to serve.

4.8 Removal of Directors. At any legal annual or special meeting, other than a meeting by ballot, any one (1) or more of the Directors, other than members appointed by the declarant or persons who are ex officio directors, may be removed with or without cause, by a majority vote of all owners present and entitled to vote at any meeting of the owners at which a quorum is present. A successor may be then and there elected to fill the vacancy thus created. No removal

of a member of the Board of Directors is effective unless the matter of removal is an item on the agenda and stated in the notice for the meeting required under Section 3.6. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting. Any Director or Directors who fail(s) to attend three (3) successive meetings of the Board of Directors which have been properly called, or who has failed to attend more than forty percent (40%) of the Board of Directors meetings during a twelve (12) month period which have been properly called, may be removed by a majority of the remaining Directors.

4.9 Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within thirty (30) days after its election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice need be given to the newly elected Directors to hold such meeting legally, providing that a majority of the newly elected Directors are present.

4.10 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but shall be held no less often than quarterly. Notice of regular meetings of the Board of Directors may be called by the Chairperson on three (3) days' notice to each Director, given personally or by mail, telephone, facsimile, telegraph or other similarly reliable method, which notice shall state the time, place (as herein above provided) and purpose of the meeting.

4.11 Special Meetings. Special meetings of the Board of Directors may be called by the Chairperson or Secretary or on the written request of at least two (2) Directors. Special meetings of the Board of Directors may be called on seven (7) days' notice to each Director, given personally or by mail, telephone, facsimile or telegraph, which notice shall state the time, place (as herein above provided) and purpose of the meeting.

4.12 Waiver of Notice by Directors. Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting.

4.13 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the existing Directors shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors shall be the acts of the Board of Directors. A majority of those present may adjourn a meeting of the Board of Directors at which less than a quorum is present. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

4.14 Board of Directors' Meetings Open to All Association Members. All meetings of the Board of Directors shall be open to all members of the Association, except that, in the

discretion of the Board, the following matters may be considered in executive session: consultation with legal counsel concerning existing or potential litigation or criminal matters; personnel matters; negotiations of contracts with third parties; and collection of unpaid assessments. No Association member shall have a right to participate in the Board of Directors' meetings unless such member is also a member of the Board of Directors. The Chairperson shall have authority to exclude any Association member who disrupts the proceedings at a meeting of the Board of Directors.

4.15 Notice to Association Members of Board of Directors' Meetings. For other than emergency meetings, notice of Board of Directors' meetings shall be posted at a place on the Condominium property at least three (3) days prior to the meeting or notice otherwise shall be provided to each member of the Association in a manner that is reasonably calculated to inform each member of such meetings. The posting of such notices shall be at a reasonable location which has been generally publicized to the Unit owners.

4.16 Telephonic Meetings. In the event of an emergency, telephonic meetings may be held by the Board of Directors. Such telephonic meetings shall be carried on by means of a "conference call" in which each Director may speak with any of the other Directors. The Directors shall keep telephone numbers on file with the Chairperson to be used for telephonic meetings. No notice to either Directors or Association members shall be required for a telephonic meeting of the Board of Directors to be held for any emergency action. Provided, however, that no such telephonic meeting shall occur unless at least sixty-six percent (66%) of the Board of Directors participate in the same and after an attempt has been made to call each Director at the telephone number maintained on file with the Board of Directors for such purpose.

4.17 Compensation of Directors. No Director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by a majority vote of the Unit owners.

4.18 Conduct of Meetings. All meetings of the Board of Directors shall be conducted in accordance with Robert's Rules of Order.

## ARTICLE 5

### OFFICERS

5.1 Designation. The principal officers of the Association shall be a chairperson, a secretary and a treasurer, all of whom shall be elected by the Directors. The Directors may appoint an assistant treasurer and an assistant secretary and any such other officers as in their judgment may be necessary.

5.2 Election of Officers. The officers of the Association may be elected by the Board of Directors at the organizational meeting of each new Board or any Board meeting thereafter and

shall hold office at the pleasure of the Board.

5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor shall be elected at any regular or special meeting of the Board of Directors.

5.4 Chairperson. The Chairperson shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties that are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5.5 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary.

5.6 Treasurer. The treasurer of the Association ("Treasurer") shall have responsibility for Association funds and securities not otherwise held by the managing agent, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

5.7 Directors as Officers. Any Director may be an officer of the Association.

## ARTICLE 6

### OBLIGATIONS OF THE OWNERS

6.1 Assessments. All owners shall be obligated to pay assessments imposed by the Association to meet all the Condominium's common expenses, which shall include premiums for insurance required or permitted under Article 8 of these Bylaws. In the discretion of the Board of Directors, the assessments may be made payable semi-annually, quarterly or monthly. An annual assessment shall be charged beginning when the Declarant first conveys a Unit to a Unit owner. Prior to such time, the Declarant shall pay all operating expenses of the Condominium. All reserve accounts set up pursuant to these Bylaws shall be funded by allocation and payment from the assessment of Unit owners. The assessment of all Unit owners who may be benefitted by expenditure of reserve funds may be increased so the reserve fund in question can be maintained in an amount sufficient to meet the needs for which such fund was established.

Except as otherwise provided in the Declaration or these Bylaws, each Unit shall be liable for the common expense in the same percentage as the percentage of ownership in the common elements allocated to such Unit.

All assessments shall be deposited in a separate bank account in the name of the Association. All expenses of the Association shall be paid from the Association bank account.

Certain services provided through the Association, such as basic cable television service, may be billed on a per unit basis rather than on the basis of percentage ownership.

The assessment of Units shall include the following items, which shall be common expenses:

6.1.1 Expense Items:

- (a) Expenses of administration.
- (b) Expenses of maintenance, repair or replacement of the common elements.
- (c) Any deficit in common expenses for any prior period.
- (d) The costs of utilities for the common elements and other utilities that have a common meter or that are commonly billed, such as water and sewer.
- (e) At the discretion of the Board of Directors, the expense of basic cable or satellite television service to all Units, together with maintenance and repair expenses for such system and service.
- (f) The cost of insurance or bonds obtained in accordance with these Bylaws.
- (g) The cost of any professional management if required by mortgagees or desired by the Board of Directors.
- (h) Legal, accounting and other professional fees.
- (i) Any other items that are properly chargeable as an expense of the Association.

## 6.1.2 Reserve Items:

6.1.2.1 Reserve Account. A reserve account shall be established for the purpose of effecting replacements of structural elements, mechanical equipment and other Association property and the common elements of the Condominium which will normally require replacement in more than three (3) years and less than thirty (30) years, and for exterior painting if the common elements include exterior painted surfaces. The reserve study shall include (a) identification of all items for which reserves are to be established; (b) the estimated remaining useful life of each item as of the date of the reserve study; (c) an estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and (d) a 30-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule. The reserve account need not include those items that could reasonably be funded from operating assessments. Payment into this account shall be deemed a contribution to capital improvement as and when made. Pursuant to provisions of the Oregon Condominium Act, the Declarant has established a reserve account for replacement of such common elements. The Assessment under this section will accrue from the time of the conveyance of the first individual unit assessed. Declarant may elect to defer payment of the accrued assessment for a Unit until the time of conveyance of the Unit, but the accrued assessment shall not be deferred for longer than three (3) years from the date the Declaration is recorded. The books and records of the Association shall reflect the amount owing from the Declarant for all reserve assessments. The reserve account shall be funded by assessments against the same Units that are assessed for the maintenance of the items for which the reserve account is established. Accordingly, the reserve account for replacement of those general common elements and limited common elements, the maintenance of which is provided by assessment against all owners shall be created by assessment against all owners. The reserve account for replacement of those limited common elements, the maintenance of which is provided by assessment of fewer than all Units, shall be created by assessment only against the specific Units responsible for the maintenance of such limited common elements.

The reserve account shall be established in the name of the Association, which is responsible for administering the account and for making periodic payments into it. Except as otherwise provided in the Oregon Condominium Act, the reserve account shall be used only for maintenance, repair and replacement of the items for which reserves have been established and is to be kept separate from other funds.

6.1.2.2 Reserve Study. The Board of Directors of the Association annually shall conduct a reserve study, or review and update an existing study, of the common elements to determine the reserve account requirements. The reserve study shall include (a) identification of all items for which reserves are to be established; (b) the estimated remaining useful life of each item as of the date of the reserve study; (c) an estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and (d) a 30-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to

meet the maintenance, repair and replacement schedule. The amount of the payments to the reserve account shall be annually adjusted according to the reserve study.

6.1.2.3 General Operating Reserve. The Board of Directors shall create and maintain a general operating reserve account by allocation and payment thereto monthly of an amount determined by the Board of Directors. This account shall be used to pay expenses which exceed budgeted amounts. The initial working capital required under Section 6.2.1 shall be deposited into such operating reserve account.

6.1.2.4 Special Reserves. Such other special reserve funds as may be set up by the Directors by special assessments of the Unit owners who benefit thereby as may be required by the Declaration or otherwise determined by the Association to be appropriate, including a reserve fund for any lease payments.

6.1.2.5 Separate Accounts. Each account described above shall be established as a separate bank account, located within the State of Oregon, and in the name of the Association, maintained with a safe and responsible depository, shall be accounted for separately and, if invested, the obligation or security shall be fully guaranteed as to principal by the United States of America or one of its agencies. Assessments paid into the reserve accounts are the property of the Association and are not refundable to sellers of Units. Provided, however, that nothing contained herein shall prevent sellers of Units from treating their outstanding allocable share of reserve accounts as a separate or reimbursable item in a sales agreement. No Unit owner shall have any individual rights in any of these reserves, although it is understood that the value of their respective Units may increase in proportion to each Unit's right to receive repair, maintenance and replacement therefrom.

6.2 Initial Assessment. The amount of the initial assessment due from Unit owners other than the Declarant shall be determined by the Declarant. The amount of the annual assessment thereafter shall be subject to review and modification by the Board of Directors. Except as otherwise provided below, the assessment for all Units shall be payable from the date on which the Declaration is recorded.

6.2.1 Contribution to Reserve Account. At closing, each purchaser shall contribute to the Association a sum equal to one-sixth (1/6th) of the annual assessments, with respect to the Unit being purchased, as a one-time contribution to the Reserve Account of the Association. Within one hundred twenty (120) days after the first conveyance by the Declarant of the first Unit in the Condominiums, the Declarant shall make such contribution with respect to all Units in the Condominiums that have not yet been conveyed to a purchaser. If the Declarant has made such contribution, no further contribution shall be required to the Association, but each purchaser shall reimburse the Declarant at closing for the amount of the contribution made by the Declarant with respect to the Unit conveyed to the purchaser. If the amount of assessments is reduced pursuant to the authority granted to the Declarant herein, the initial deposit to the Association budget, equal to fifty percent (50%) of the annual assessment, shall be based on the



projected amount of such annual assessments after substantial or full occupancy of the Units rather than on the reduced amount. The Reserve Account contribution shall be allocated to the Reserve Account provided in Section 6.1.2.1 of these Bylaws. The Reserve Account contribution is in addition to regular assessments and shall not be used as a prepayment of assessments by any Owner. The Declarant may not use the Reserve Account contributions to defray any of its expenses, reserve contributions, or construction costs, or to make up any budget deficits while the Declarant is in control of the Association. All Reserve Account contributions shall be disbursed to the Association at or prior to the turnover meeting and shall be credited to the Reserve Account.

6.2.2 Procedures. If the Declarant or any other person pays all of the operating expenses of the Condominiums or subsidizes such expenses, the assessment shall be reduced by such amount, but shall not be reduced to a sum less than the total amount of the replacement reserve items. With respect to Units not yet conveyed by the Declarant, the Declarant may accrue the replacement reserve items. At the time of conveyance of the Unit for which the replacement reserve has been accrued, the accrued reserves must be paid to the Association.

The Declarant, or such other person paying all operating expenses or subsidizing such expenses, shall give sixty (60) days' written notice to individual Unit owners before their obligation to pay the full assessment begins. Thereafter, each owner, including the Declarant or such other person, shall pay the assessments to the Association. In the event that the Declarant has collected initial assessments from Unit purchasers at closing and thereafter elects to pay or subsidize the operating expenses, thereby causing the amount of the assessment to be reduced, the one-time initial contribution collected from Unit purchasers shall be held by the Declarant in a separate Association account. On the date on which Unit owners are required to pay full assessments, the aggregate sums held in such separate account shall be deposited to the Association's general account to be used as working capital.

6.2.3 Temporary Reduction of Assessment Amount. If the Association expenses are temporarily less than projected by the Declarant because some or most of the Units are not yet sold or occupied, the Declarant shall have the authority to reduce temporarily the amount of the assessment to reflect the lower expenses of the project.

6.3 Special Assessments. The Board of Directors shall have the power to levy special assessments against an owner or all owners for the following purposes and in the following manner:

- (a) To correct a deficit in the operating budget by vote of a majority of the Board;
- (b) To collect amounts due to the Association from an owner for breach of the owner's obligations under the Declaration, these Bylaws, or the Association's rules and regulations, by vote of a majority of the Board;

- (c) To make repairs or renovations to the common elements if sufficient funds are not available from the operating budget or replacement reserve accounts by vote of a majority of the Board; or
- (d) To make capital acquisitions, additions or improvements by vote of at least seventy five percent (75%) of all votes allocated to Units in the Condominium.

6.4 Payment of Assessments. Subject to the provisions of Sections 6.2 and 6.3, from the date on which the Declaration is recorded, the Declarant shall:

- (a) Pay assessments due for operating expenses on all unsold Units; and
- (b) Pay assessments due for reserves on all unsold Units, or, at the Declarant's option, defer payment of accrued assessments for reserves for a Unit until the earlier of: (i) the date of the turnover meeting provided for in these Bylaws, or (ii) if a turnover meeting is not held, the date the Owners assume administrative control of the Association. If the Declarant defers payment of accrued assessments for reserves until date of sale of the Unit to an Owner, the Declarant shall pay, or require the Unit Owner to pay, all accrued reserve assessments against the Unit at the time of the initial sale to the Unit Owner. Provided, however, such reserve accrual shall not be for a period longer than three (3) years after the Declaration is recorded.

6.5 Adoption of Budget: Determination of Fiscal Year: Filing of Income Tax Returns.

6.5.1 Adoption of Budget. At least sixty (60) days before the beginning of each fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the common elements and those parts of the Units as to which it is the responsibility of the Association to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be common expenses pursuant to the Oregon Condominium Act, the Condominiums instruments, or a resolution of the Association and that shall be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Condominiums and the rendering to the Unit owners of all related services.

Such budget also shall include such reasonable amounts as the Board of Directors considers necessary to provide working capital and such general operating reserve accounts, contingency and other reserve accounts as the Board shall determine. The amount designated for replacement reserves shall be adjusted annually to reflect current replacement cost and remaining useful life. Within 30 days from the date it adopts the annual budget for the Association, the

Board of Directors shall send to each Unit owner a copy of the budget in a reasonably itemized form which sets forth the amount of the common expenses and any special assessment payable by each Unit owner. Such budget shall constitute the basis for determining each Unit owner's assessment for the common expenses of the Condominiums.

6.5.2 Failure to Prepare Budget. The failure of the Board of Directors to prepare and/or to present, in a timely manner, a budget to the Unit owners shall not be cause for any owner to fail or refuse to pay assessments. Assessments shall continue, based upon the last adopted or accepted budget, until a new budget is created and announced. Retroactive increases and/or special assessments may be made by the Board of Directors to make up for any deficiency.

6.5.3 Failure to Adopt Budget. In the event the Board of Directors fails to adopt, in a timely manner, a budget for a new fiscal year, the last adopted budget shall continue in effect.

6.5.4 Determination of Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.

6.5.5 Filing of Income Tax Returns. The Board of Directors annually shall cause to be filed the necessary income tax returns for the Association, and shall, in its sole discretion, determine the manner in which all necessary income tax returns are filed and of selecting any and all persons to prepare such tax returns.

6.5.6 Preparation and Distribution of Annual Financial Statements. The Board of Directors shall annually prepare and distribute to Unit Owners the financial statement described in Section 4.3.2.2 of these Bylaws.

6.6 Default. The failure of an owner to pay any assessment of the Association shall be a default by such owner of his obligations pursuant to these Bylaws and the Oregon Condominium Act and, in addition to the Association's other remedies provided in the Declaration, these Bylaws shall entitle the Association to declare the balance of such owner's annual assessment otherwise being paid in installments to be immediately due and payable in full. Interest shall be charged on delinquent assessments at such rate as may be set by the Board of Directors from time to time not to exceed the lower of ten percent (10%) per annum or the highest rate permitted by applicable law. Before the imposition of or a change in the interest rate charged on delinquent assessments, the Board of Directors shall give thirty (30) days' written notice to all owners.

In addition, the Board may impose a late charge penalty on any assessment that is delinquent for thirty (30) or more days. Such penalty shall not exceed the sum of five percent (5%) of the delinquent assessment and shall be imposed only once on each regular or special assessment or installment of such assessments. The Board may also, after giving written notice to

a Unit Owner and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws and rules and regulations of the Association, provided that the charge imposed or fine levied by the Association is based: (i) on a schedule contained in the declaration or bylaws, or an amendment to either that is delivered to each Unit, mailed to the mailing address of each Unit or mailed to the mailing addresses designated in writing by the Owners; or (ii) on a resolution adopted by the Board of Directors or the Association that is delivered to each unit, mailed to the mailing address of each unit or mailed to the mailing address designated by the Owners in writing.

Pursuant to ORS 100.450, upon recording of the Declaration, when the Association levies an assessment against a Unit, the Association shall have a lien upon the individual Unit and the undivided interest in the common elements appertaining to such Unit for any unpaid assessments. The lien includes interest, late charges, attorney fees, costs or other amounts levied under the Declaration or these Bylaws. The lien is prior to a homestead exemption and all other liens or encumbrances upon the unit except tax and assessment liens and a first mortgage or trust deed of record. Before any suit to foreclose the said lien is commenced, the Association shall record a notice of claim of lien for assessments in the deed records in Multnomah County which shall contain: (i) a true statement of the amount due for the unpaid assessments after deducting all just credits and offsets; (ii) the name of the Owner of the Unit, or reputed Owner, if known; (iii) the name of the condominium and the designation of the Unit as stated in the Declaration or any applicable supplemental declaration; and (iv) a statement that if the Owner of the Unit thereafter fails to pay any assessments when due, as long as the original or any subsequent unpaid assessment remains unpaid, the unpaid amount of assessments automatically continue to accumulate with interest without the necessity of further recording. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting owner for the use of his Unit or shall be entitled to the appointment of a receiver pursuant to ORS 100.460. Liability for all assessments, fines, charges, interest, fees (including attorneys' fees, whether or not a suit or an action is commenced), and other sums owing by the Unit owner pursuant to the Declaration, these Bylaws, the Oregon Condominium Act and rules and regulations of the Association, shall be the personal obligation of the Unit owner and may be enforced by suit for a money judgment, in addition to all other remedies of the Association. Any default by the owner in any provisions of these Bylaws or of the Oregon Condominium Act shall be deemed to be a default by the owner of any mortgage to which the owner is a party or to which the Unit is subject.

#### 6.7 Maintenance and Repair.

6.7.1 Owner's Duty to Maintain. Every owner shall perform promptly all maintenance and repair work that is needed within his own Unit to prevent any negative effect on the common elements of the Condominium or a part thereof belonging to other owners, and every owner shall be responsible for the damages and liabilities that his failure to maintain and repair may cause, including, but not limited to, damage caused by failure of or damage to plumbing valves and pipes within the Unit, plugged toilets and bath drains, overloaded electrical

outlets, and clothes washer and dishwasher overflow.

6.7.2 Owner's Expenses. All repairs of internal installations of each Unit, such as water, lights, gas, power, sewage, telephones, air conditioners, heaters, and sanitary installations, doors, windows, lamps and all other accessories and appliances located or used in the Unit area, shall be at the sole expense of the owner of such Unit.

6.7.3 Reimbursement of Association. An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common elements and/or facility that was damaged by an event originating within an owner's Unit and that is not otherwise covered by insurance policies carried by the owner or the Association for the owner's and the Association's benefit. In such circumstances, the insurance obtained by the owner shall be deemed to be the primary coverage.

6.8 Right of Entry: Easement for Maintenance: Encroachments.

6.8.1 Association Right of Entry. In case of an emergency originating in or threatening his Unit, an owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association, whether the owner is present at the time or not.

6.8.2 Easement for Maintenance. An easement for the benefit of the Association is hereby reserved in and through all Units and the common elements providing access at reasonable times and with reasonable notice for purposes of maintenance, repair, and replacement of the common elements. If, in the process of such repair and maintenance by the Association, it is necessary to alter or damage any Unit or common elements, such alterations or damages shall be permitted without compensation, provided that the Unit and/or common elements are promptly restored to substantially their prior condition by the Association.

6.8.3 Encroachment. If any portion of the common elements encroaches upon a Unit, or a Unit encroaches upon any portion of the common elements, a valid easement for the encroachment and for the maintenance of the same, so long as the affected Unit or common element stands, shall and does exist. In the event that the affected Unit or common element or either is partially or totally destroyed and then rebuilt, the owners of the Units agree that minor encroachment of parts of the common elements due to such rebuilding shall be allowed and an easement shall exist for such purpose.

6.9 Institution of Litigation/Administrative Proceedings Against Third Parties. In the event the Association institutes litigation or administrative proceedings to recover damages on any matter relating to or affecting the units or interests of unit owners, which matter is (a) a result of a nuisance or a defect in or damage to a common element, or (b) required to facilitate repair to any common element, at least thirty (30) days prior to instituting such litigation or administrative proceedings,

the Association shall provide written notice to each affected owner of the association's intent to seek damages on behalf of the owner. The notice shall at a minimum:

- (a) Inform each owner of the general nature of the litigation or proceeding;
- (b) Describe the specific nature of the damages to be sought on the owner's behalf;
- (c) Set forth the terms under which the Association is willing to seek damages on the owner's behalf, including any mechanism proposed for the determination and distribution of any damages recovered;
- (d) Inform each owner of the owner's right not to have the damages sought on the owner's behalf and specify the procedure for exercising the right; and
- (e) Inform the owner that exercising the owner's right not to have damages sought on the owner's behalf relieves the association of its duty to reimburse or indemnify the owner for damages, does not relieve the owner from the owner's obligation to pay dues or assessments relating to the litigation or proceeding; does not impair any easement owned or possessed by the Association; and does not interfere with the Association's right to make repairs to common elements.

Within twenty (20) days of the date of mailing of the notice described in this Section, any owner may request in writing that the association not seek damages on the Owner's behalf. If an owner makes such a request, the Association shall not make or continue any claim or action for damages with regard to the objecting owner's unit or interest and shall be relieved of any duty to reimburse or indemnify the owner for damages under the litigation or proceeding.

6.10 Owner/Association Dispute Resolution. Except for circumstances in which irreparable harm to a party will occur due to delay or to litigation or an administrative proceeding initiated to collect assessments, other than assessments attributable to fines, before instituting any litigation or administrative proceeding in which the Association and an Owner have an adversarial relationship, the party that intends to initiate litigation or an administrative proceeding shall offer to use any dispute resolution program available in Multnomah County that is in substantial compliance with the standards and guidelines adopted under ORS 36.175 and any other relevant statute. The written offer must be hand-delivered or mailed by certified mail, return receipt requested, to the address contained in the records of the Association for the other party. If the party receiving the offer does not accept the offer within ten (10) days after receipt of such notice, the initiating party may commence the litigation or administrative proceeding. Notice of acceptance of the offer to participate in the program must contain the name, address and telephone number of the body administering the dispute resolution program. If a qualified program exists within Multnomah County and the required offer to use the program is not made,

litigation or an administrative proceeding may be stayed for thirty (30) days upon a motion of the noninitiating party. If the litigation or administrative action is stayed, both parties shall participate in the dispute resolution process. Unless a stay has been granted as provided above, if the dispute resolution process is not completed within thirty (30) days after receipt of the initial offer, the initiating party may commence litigation or an administrative proceeding without regard to whether the dispute resolution is completed.

6.11 Common Profits. Common profits of the Condominiums, if any, shall be distributed among the Unit owners according to the allocation of undivided interest of each Unit in the common elements.

## ARTICLE 7

### USE AND OCCUPANCY RESTRICTIONS: RULES OF CONDUCT

The failure of an owner and/or his or her family, invitees or tenants, to comply with the rules of conduct and restrictions set forth herein, in the Declaration, or as otherwise adopted by the Board of Directors, shall be cause for which the Board of Directors may deny or restrict such owner's right to use any common element facility with respect to which such owner otherwise had a right of use and may suspend such member's voting rights for so long as the failure to comply remains uncured.

7.1 Use as Private Dwelling Only. Each of the Units shall be occupied as a single-family private dwelling by its owner or his tenants, visitors, and guests, and for no other purpose. Subject to compliance with applicable local ordinances and other restrictions of record, an owner may use his Unit as a "home office," provided that clients, customers, vendors and employees do not regularly visit the "home office." All common elements shall be used in a manner conducive to such purpose. No Unit owner shall be permitted to lease his Unit for a period of fewer than thirty (30) days. No Unit owner may lease less than the entire Unit. Any agreement to lease a Unit shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and the Bylaws and that any failure by the tenant to comply with the terms of such documents shall be a default under the lease. Leasing of units shall be governed by Section 7.12 of these Bylaws.

7.2 Restriction on Alteration to Unit. No owner shall make structural alterations or installations in his Unit without previously notifying the Association in writing by certified mail to the management agent, if any, or to the Chairperson of the Board of Directors, if no management agent is employed. The Association shall answer within thirty (30) days of receipt of such notice, and failure to do so within the stipulated time shall mean that it does not object to the proposed alteration or installation. Provided, however, that nothing herein contained shall waive or limit an owner's obligation to comply with the provisions of ORS 100.535.

7.3 Use of the Common Elements. No owner shall place or cause to be placed in the lobbies, vestibules or stairways or on the patios, decks, ramps, or other common elements of the Condominiums of a similar nature, any furniture, packages or objects of any kind, except that suitable furniture may be placed on the decks and patios without the prior written consent of the Board of Directors. Such areas shall not be used for any purpose that is not appropriate, customary and acceptable to the Board of Directors. No Owner may alter, change or construct any improvements on or to the exterior of buildings or any other portion of the Common Elements.

7.4 Pets. No pets except dogs, cats, birds and other common domesticated pets shall be permitted on the Condominiums property and no more than a total of two (2) pets shall be permitted to be maintained by the owner(s) of a Unit. Any Unit owner who maintains any pet upon any portion of the Condominiums shall be deemed to have indemnified and agreed to hold the Association, each of its members, and the Declarant, free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominiums. All pets shall be registered with the Board of Directors and shall be registered and inoculated as required by law. Further, each owner shall abide by all relevant provisions of City of Portland and Multnomah County ordinances, leash laws, and rules or regulations of the Association adopted by the Board of Directors. The Board of Directors shall have the power to require any owner or occupant whose pet is a nuisance, to remove such pet from the Condominiums and the Unit of the owner.

7.5 Appearance of Condominium Building(s). No Unit owner shall cause anything to be hung, displayed, or placed on the walls, railings, doors, windows, walkways, patios, fences, ceilings of walkways or roof of the Condominiums building(s) or any other common element or otherwise change the appearance of any portion of the common elements without the prior written consent of the Board of Directors. Each Unit owner shall provide draperies, mini-blinds or other window coverings at all windows. No clothes lines or similar devices and no "For Sale" or "For Rent" signs shall be allowed on any part of the Condominiums property without the prior written consent of the Board of Directors, except that the Declarant may post reasonable signs advertising any Unit for sale or rent in reasonable places on the Condominiums property.

7.6 Nuisances. No nuisances or any use or practice that is the source of annoyance to residents or that interferes with the peaceful possession and proper use of the property by its residents shall be allowed upon the Condominiums property. Residents shall exercise extreme care about creating disturbances, making noises or using musical instruments, radios, televisions and amplifiers that may disturb other residents. All parts of the Condominiums shall be kept in a clean and sanitary condition; no rubbish, refuse or garbage shall be allowed to accumulate; and no fire or environmental hazard shall be allowed to exist. All garbage and trash shall be placed inside disposal containers. No Unit owner shall make or permit any use of his Unit or make any use of the common elements that would increase the cost of insurance upon the Condominiums property.



No owner shall hang garments, towels, rugs or similar items from any window, facade, deck, patio, fence, railing, balcony or terrace of the Condominiums or hang or shake dust rags, mops or similar items from any window, porch, terrace or patio, or clean such items by beating them on an exterior part of the Condominiums.

7.7 Improper, Offensive or Unlawful Use. No improper, offensive or unlawful use shall be made of the Condominiums property or any part of it; all valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction shall be observed. The responsibility for meeting the requirements of governmental bodies for maintenance, modification or repair of the Condominiums property shall be carried out and paid for in the same manner as the responsibility for the maintenance and repair of the property concerned.

7.8 Restriction on Exterior Installations. No owner, resident or tenant shall install wiring for electrical or telephone installation, exterior antennae, satellite dishes in excess of one meter in diameter, machines or air conditioning units or similar devices on the exterior of the Condominiums building(s) or cause them to protrude through the walls or the roof of the Condominiums except as authorized by the Board of Directors. No window guards, awnings or shades shall be installed without the prior consent of the Board of Directors.

7.9 Parking. The parking areas designated as general common elements in the Declaration, including without limitation private roads, are intended for the parking of automobiles of invitees and guests only and may not be used for parking of vehicles owned by or registered to an owner, tenant, or member of an owner's or tenant's household. The Directors may make such rules as may be necessary to govern the use of any general or any limited common element parking areas by which all owners and other users shall be bound, including a fine schedule for violation of these Bylaws, the Declaration or any rules and regulations promulgated thereunder which shall be adopted by resolution of the Board of Directors. Provided, however, that no such rule shall prohibit, restrict, or change a parking assignment without the written consent of the owner of the Unit to which such assignment or right pertains.

7.10 Vehicle Restrictions. The speed of vehicular traffic on the parking areas and driveways on Condominiums property shall be limited to five (5) miles per hour as a safety precaution. This speed limit shall apply to bicycles, motor scooters, motorcycles, automobiles and trucks. No recreational vehicles, campers, trailers, boats, boat trailers, commercial vehicles, vehicles in disrepair or similar things may be parked or kept on Condominiums property, except that such recreation equipment may be kept in a garage unit, if it is fully enclosed and the garage unit door is kept closed, except when the recreation equipment is being removed or returned to the garage.

7.11 Use of Recreational and Common Facilities. Recreational buildings and facilities and play areas, all other general common elements, including any common garden and common patio or storage areas, are provided for the use of the owners and their guests. Rules and regulations setting forth the hours the various facilities shall be available for use and the

conditions attendant thereto shall be posted. Use of recreational and common facilities shall be conditioned upon compliance with such rules and regulations.

7.12 Leasing/Renting Units. Subject to approval by the Board of Directors, a Unit owner may rent or lease his entire Unit for a period of not less than thirty (30) days, provided that the occupancy is only by the lessee, his visitors and guests. No rooms may be rented and no transient tenants may be accommodated. Before entering into any such agreements, a Unit owner shall notify the Board of Directors of his intent, the name and address of the proposed tenant, and the circumstances of proposed arrangement. If the Board of Directors finds that such proposed tenancy shall not be detrimental to the Association, the well-being of the Condominiums, or the enjoyment by other Unit owners of their Units and the common elements, it shall approve such tenancy. All tenants shall always be subject to the Declaration, any Supplemental Declaration, Bylaws, rules and regulations of the Association and the Board of Directors. At any time during the tenancy, the Board of Directors may cause the Unit owner to terminate the tenancy and evict tenants for violations of the Declaration, any Supplemental Declaration, or the rules and regulations of the Association. All such leases shall be in writing.

7.13 Additional Rules. Rules and regulations concerning other use of the Condominium property, including a schedule of fines for violation thereof, may be made and amended from time to time by the Association or the Board of Directors. Copies of such rules and regulations shall be furnished to all Unit owners and residents of the Condominiums upon request.

7.14 Covenants, Conditions, Restrictions and Easements in Other Documents. In addition to the provisions of the Declaration, any Supplemental Declaration, the Articles of Incorporation, the Bylaws and any rules or regulations promulgated thereunder, each owner of a Unit in the Condominiums is subject to covenants, conditions, restrictions, easements and assessments as set forth in the following instruments:

Any and all recorded surveys, plats or site plans of the Condominiums.

## ARTICLE 8

### INSURANCE

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

8.1 Types of Insurance Policies. For the benefit of the Association and the owners, the Board of Directors shall obtain and maintain at all times insurance as required by ORS 100.425

and any succeeding statute, and shall pay the premiums for such insurance out of the common expense funds. With respect to the insurance requirements above stated, the Association shall obtain additional coverages listed below to the extent that they are available at reasonable cost:

8.1.1 Property Insurance. A policy or policies of property insurance, including, but not limited to, fire, extended coverage, vandalism and malicious mischief, for the full insurable replacement value, if available, of all Units and common elements, 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 policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees, if any, of each Unit. For the purposes of any policy or policies of fire insurance, the term "building" shall include fixtures, installations or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Condominiums Units initially installed or replacement thereof, in accordance with the original Condominiums plans and specifications, or installed by or at the expense of any Unit owner or owners.

8.1.2 Liability Insurance. A policy or policies insuring the Association, its Board of Directors, the Unit owners individually, and the manager against any liability to the public or the owners of Units and their invitees or tenants, incident to the ownership, supervision, control or use of the project. Limits of liability under such insurance shall be not less than One Million Dollars (\$1,000,000.00) per occurrence for bodily injuries and property damage. Such limit and coverage shall be reviewed at least annually by the Board of Directors which, in its discretion, may increase either. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsements wherein the rights of a named insured under the policy or policies shall not be prejudiced with respect to his action against another named insured.

8.1.3 Worker's Compensation. Worker's compensation insurance to the extent necessary to comply with any applicable laws.

8.1.4 Fidelity Bond. A fidelity bond naming such persons as may be designated by the Board of Directors as principals and the Association and the owners as obligees, for the amount determined by the Board of Directors. Provided, however, that the Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds obtain adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

The Association shall not be responsible for any loss or damage to personal property of any owner, whether stored on the common elements or in the owner's Unit; nor shall the Association maintain any insurance coverage for such loss.

8.2 Insurance Companies Authorized. All policies shall be written by a company licensed to do business in Oregon and holding a "Commissioner's rating" of "A+" and a size rating of "AAA," or better, by Best's Insurance Reports, or as may be otherwise acceptable to all mortgagees and directors.

8.3 Authority to Adjust Losses. All losses under policies hereafter in force regarding the property shall be settled exclusively with the Board of Directors or its authorized representative; provided, however, that where a first mortgagee has been designated as a loss payee by a Unit owner and such first mortgagee has requested the opportunity to exercise the rights provided by this Article 8, such mortgagee shall be entitled to settle losses as to the mortgaged Unit, provided that the loss which occurs is severable. Releases and proofs of loss shall be executed by at least two directors.

8.4 Value of Owner Improvements. Each owner must inform the Board of Directors of the value of improvements made to his Unit in excess of Ten Thousand Dollars (\$10,000.00) so that the Board of Directors may make any desired adjustments in insurance coverage. Nothing in this paragraph shall permit an owner to make improvements without first obtaining the approval of the Board of Directors pursuant to Article 7.

8.5 Provisions in Insurance Policies. The Board of Directors shall make every effort to secure insurance policies that provide for the following:

8.5.1 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, agents and guests.

8.5.2 A provision that the master policy on the Condominiums cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual owners.

8.5.3 A provision that the master policy on the Condominiums cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors or the manager without prior demand in writing that the Board of Directors or manager cure the defect.

8.5.4 A provision that any "no other insurance" clause in the master policy exclude individual owners' policies and not otherwise prevent such individual policies from providing coverage for damage to Units or common elements.

8.6 Reconstruction Costs. If the Association is required or elects to reconstruct any common element or Unit that has been damaged or destroyed, an affected Unit owner (i.e., the owner whose Unit or limited common element has been damaged or destroyed) shall contribute to the Association all amounts received by such owner from property loss insurance policies to help pay for the repairs. To the extent that such insurance proceeds are unavailable or unpaid

when needed, the Association shall assess such owner the amount of the Association's "deductible" under its policy to pay the cost of repairing or reconstructing such owner's Unit or limited common elements. Such assessment shall be both a personal obligation of such owner and a lien against such owner's Unit in the same manner as any other Association assessment.

**8.7 Insurance Deductible/Owner and Tenant Insurance.** The Board of Directors shall determine the amount of the deductible for property loss insurance policies, as well as other insurance policies required to be procured by the Association under this Article 8. In determining the deductible under the policies, the Board shall take into consideration, among other factors, the availability, cost, and loss experience of the Association. In this regard, as in other Board responsibilities, the Board members shall exercise their reasonable business judgment.

The Association shall have no responsibility to procure or assist in procuring property loss insurance for any owner or tenant for: (a) damage to a Unit or limited common elements not covered by the Association's policy (because of the deductible amount or because the claim for loss or damage is one not normally covered by fire and property loss insurance policies with extended coverage endorsements); or (b) for any damage or loss to the owner's or tenant's personal property. Owners shall be responsible for purchasing insurance policies insuring their units and appurtenant limited common elements for the deductible amount under the Association's policies and for insuring their own personal property for any loss or damage. Proof of such insurance coverage shall be provided to the Association's Secretary by the Unit owner. Tenants shall be responsible for insuring their own personal property for any loss or damage. The Board of Directors shall notify all owners of the amount of the deductible under the Association policies. To the extent reasonably practicable, the Board of Directors shall give at least thirty (30) days' notice to the owners of any increase in the deductible proposed in renewal or replacement insurance policies. Owners and tenants of all Units shall procure and maintain comprehensive liability policies having combined limits of not less than One Hundred Thousand Dollars (\$100,000.00) for each occurrence. Such insurance shall provide coverage for, without limitation, the negligent acts of the owner(s) and tenant(s) and their guests or other occupants of the Unit(s) for damage to the general and limited common elements and other Units and the personal property of others located therein.

**8.8 Review of Insurance Policies.** At least annually, the Board of Directors shall review all insurance carried by the Association, which review shall include a consultation with a representative of the insurance carrier writing the master policy.

**8.9 Duplicate Insurance Coverage.** In the event of duplicate insurance coverage, the insurance policy obtained by the owners shall be deemed to be the primary coverage.

**8.10 Insurance Coverage Assignment of Obligations.** In accordance with Section 8.2 of the Declaration, the Board of Directors may, from time to time but effective not earlier than six (6) months from the date of adoption, adopt by resolution a policy setting forth the respective insurance obligations of the Owners of Units and the Association. Such policy shall be binding upon the Owners of Units from the effective date thereof, and all Owners shall be responsible for

assuring that their insurance coverage is in conformity with such adopted policy then in effect.

## ARTICLE 9

### DAMAGE AND DESTRUCTION

9.1 Insurance Proceeds Sufficient to Cover Loss. In case of fire, casualty or any other damage and destruction, the insurance proceeds of the master policy, if sufficient to reconstruct the buildings damaged or destroyed, shall be applied to such reconstruction.

9.2 Insurance Proceeds Insufficient to Cover Loss. 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 all the Unit owners shall be liable for assessment for any deficiency for such reconstruction, such deficiency to take into consideration as the owner's contribution any individual policy insurance proceeds provided by such owner. Provided, however, that if fifty-six percent (56%) or more in value of all the buildings is destroyed or substantially damaged, and if the owners of at least fifty-six percent (56%) of the Units so vote, and upon written approval of holders of first mortgages that represent at least fifty-six percent (56%) of the votes of mortgaged Units in the Condominiums, 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:

9.2.1 The Condominiums property shall be deemed to be owned in common by the owners.

9.2.2 The respective interest of each Unit owner in the property shall be determined by the provisions of ORS 100.610 that are in effect on the date the Condominiums Declaration is recorded.

9.2.3 Any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interests of the owners in the project.

9.2.4 The Condominiums shall be subject to an action for partition at the suit of any owner. If a decree of partition orders the sale of the Condominium property, the net proceeds of sale, together with the net proceeds of the policies of insurance on the Condominiums, if any, shall be considered as one fund and shall be divided among all of the owners in proportion to their respective undivided interests, after first paying, out of the respective shares of the owners, to the extent such share is sufficient for the purpose, all liens on the undivided interest in the project owned by each owner.

9.3 Architectural Changes After Damage or Destruction. Reconstruction of damaged or

destroyed buildings as used in this Article means restoring the buildings to substantially the same condition in which they existed prior to the fire, casualty or disaster and shall be performed substantially in accordance with the Declaration and the original plans and specifications unless other action is approved in writing by holders of first mortgages that represent at least fifty-six percent (56%) of the votes of mortgaged Units in the Condominiums. Such reconstruction shall be accomplished under the direction of the manager or the Board of Directors. Notwithstanding all other provisions hereof, the owners may, by an affirmative vote of sufficient owners, amend these Bylaws, cause an amendment to be made to the Condominiums 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 Condominiums, or any buildings thereof, by fire, casualty or any other disaster is so great as to require the substantial reconstruction of the whole of the Condominiums, or said buildings, and upon written approval by holders of first mortgages that represent at least seventy-five percent (75%) of the votes of mortgaged Units in the Condominiums. Provided, however, that any such amendment of such Condominiums documents shall be valid only upon (1) compliance with all applicable provisions of the Oregon Condominium Act; (2) approval by the Oregon Real Estate Commissioner; (3) recording thereof with the recording officer of Multnomah County; and (4) 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.

9.4 Reallocation of Percentage Interest. In the event of a partial destruction of the Condominiums buildings or Units therein, the Unit owners may not reallocate percentages of interest in the common elements without the prior approval of the Mortgagees of all the remaining Units, whether existing in whole or in part. Any such reallocation shall also comply with the Oregon Condominium Act and other provisions of the Declaration, any applicable Supplemental Condominiums Declaration and the Bylaws.

## ARTICLE 10

### CONDEMNATION

The Board of Directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain and to sue or defend in any litigation involving such bodies or persons with respect to the common elements of the Condominiums and shall assist any Unit owner whose Unit or a part thereof, is the subject of any condemnation or eminent domain proceeding. Provided, however, that nothing in this or any document or agreement relating to the Condominiums shall be construed to give a Unit owner or any party priority over the rights of the first mortgagees of any Condominiums Units in the case of a distribution to the Unit owner of any such condemnation awards for losses to or a taking of a Unit and/or the common elements. In the event of a taking or acquisition of part or all of the common elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any trustee, for the use and benefit of the Unit owners and their mortgage holders as their interest may appear. The Board of Directors shall distribute the

proceeds of any such award or settlement on a reasonable and equitable basis among the Unit owners.

## ARTICLE 11

### AMENDMENTS TO BYLAWS

These Bylaws may be amended by the owners holding a majority of the total voting rights allocated to the Units in a duly constituted meeting or ballot meeting called for such purpose, and no amendment shall take effect unless approved by owners holding a majority of the voting rights as otherwise set forth in the Declaration and any Supplemental Condominium Declaration. Any amendments adopted hereunder shall be reduced to writing and certified by the Chairperson and Secretary of the Association to be the amendment so adopted by the Association. Such amendment so certified shall be recorded in the Deed Records of Multnomah County, Oregon. Provided, however, that no amendment of these Bylaws reducing or eliminating the right of any first mortgagee shall be made without the prior written consent of such first mortgagees. Provided, further, that no amendment of these Bylaws may be made without the consent of the Declarant so long as the Declarant owns any Unit in the Condominiums, but no such consent shall be required after conveyance to owners other than the Declarant of seventy-five percent (75%) of the Units or three (3) years after the first conveyance of a Unit in the Condominiums, whichever is earlier. Provided, however, that even thereafter, no amendment may limit the Declarant's special rights, whether reserved in the Declaration, these Bylaws, or as otherwise provided by law. **IF REQUIRED BY LAW, ANY AMENDMENTS TO THESE BYLAWS MADE WITHIN FIVE (5) YEARS OF THE RECORDING DATE HEREOF MUST BE APPROVED BY THE OREGON REAL ESTATE COMMISSIONER PRIOR TO RECORDING.**

## ARTICLE 12

### RECORDS AND AUDITS

12.1 General Records. The Board of Directors and the managing agent or manager, if any, shall maintain in the State of Oregon detailed records of the actions of the Board of Directors and the managing agent or manager, minutes of the meetings of the Board of Directors and minutes of the meetings of the Association. The Board of Directors shall maintain a list of owners entitled to vote at meetings of the Association and a list of all mortgagees of Units insofar as such names have been provided to the Board by the owner or mortgagee. All records of the Association shall be maintained for not less than the period specified for the retention of corporate records in ORS 65.771 or any other applicable law, except that the Association shall maintain all proxies and ballots for a period of one year from the date of determination of the vote, and the Association shall maintain as permanent records: (i) the as-built architectural, structural, engineering mechanical, electrical and plumbing plans for the Property; (ii) the original



specifications indicating thereon all material changes; (iii) the plans for underground site service, site grading, drainage and landscaping together with cable television drawings; and (iv) any other plans and information relevant to future repair or maintenance of the Property

12.2 Records of Receipts and Expenditures. The Board of Directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common elements, itemizing the maintenance and repair expenses of the common elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the Unit owners and mortgagees during convenient weekday hours.

12.3 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

12.4 Payment of Common Expenses. The Board of Directors shall authorize the Treasurer, the management agent, or another specified party, to pay all legitimate expenses of the Association. Such payments shall be made pursuant to the payment system instituted by the Board of Directors as described in Section 4.3.6 of these Bylaws.

12.5 Reports and Audits. The Board of Directors shall prepare or cause to be prepared an annual report of the receipts and expenditures of the Association and a balance sheet and income and expense statement setting forth the financial condition of the Association as of the end of each year. The report shall be prepared according to generally accepted accounting procedures and shall be distributed to all Unit owners within one hundred twenty (120) days after the end of each fiscal year. At any time and at his own expense, any owner or mortgagee may cause an audit or inspection to be made of the books and records of the Association.

12.6 Notice of Sale, Mortgage, Rental or Lease. Immediately upon the sale, mortgage, rental or lease of any Unit, the Unit owner shall promptly inform the Secretary or manager of the name and address of such vendee, mortgagee, lessee, or tenant. This obligation is in addition to those set forth in Section 7.11.

12.7 Annual Report. The Board of Directors shall cause an Annual Report, including any amendments, to be filed with the Oregon Real Estate Agency, pursuant to the provisions of ORS 100.250 and ORS 100.260.

## ARTICLE 13

### COMPLIANCE

These Bylaws are intended to comply with the provisions of the Oregon Condominium Act, which are incorporated herein and to supplement the provisions of the Condominiums Declaration. If any of the provisions hereof conflict with the provisions of said statutes, the statutory provisions shall apply. If any of the provisions hereof conflict with the provisions of the Declaration, the provisions of the Declaration shall apply.

## ARTICLE 14

### INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

The Association shall indemnify any Director and officer, and any employee or agent (except relating to claims that such employee or agent was acting in a manner contrary to licensing requirements established by the State of Oregon from time to time for which said employee or agent shall be wholly responsible) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the act that he is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe that his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe that his conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit or proceeding as and when incurred, subject only to the right of the Association to be reimbursed, should it be proven at a later time that said person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a Director, officer, employee or agent shall have a right of contribution over and against all other Directors, officers, employees or agents and members of the Association who participated with or benefitted from the acts which created said liability.

## ARTICLE 15

### ASSESSMENT AND FINE COLLECTION COSTS: ENFORCEMENTS SUITS AND ACTIONS

Whether or not suit or action is commenced, Unit owners shall be obliged to pay reasonable fees and costs including, but not limited to, attorney's fees (whether or not suit or action is commenced) incurred in connection with efforts to collect delinquent and unpaid assessments, fines and enforcement of the Declaration, Bylaws or rules and regulations of the Association. In addition to the assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines and interest imposed pursuant to Section 6.6 of these Bylaws, ORS 100.405(4)(i)(j)(k), and any other relevant statutes.

In the event suit or action is commenced by the Directors for the collection of any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the Bylaws or of the Oregon Condominium Act, the owner or owners, jointly and severally, will in addition to all other obligations, pay the costs of such suit or action, including reasonable attorneys' fees to be fixed by the trial court and, in the event of an appeal or review, the cost of the appeal or review, together with reasonable attorneys' fees in the appellate or reviewing court to be fixed by such court.

## ARTICLE 16

### MISCELLANEOUS

16.1 Notices. All notices to the Association or to the Board of Directors shall be sent care of the managing agent, or if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. All notices to any Unit owner shall be sent to such address as may have been designated by him from time to time, in writing, to the Board of Directors, or if no address has been designated, then to the owner's Unit.

16.2 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

16.3 Invalidity: Number: Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.



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**DECLARATION  
SUBMITTING TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS  
TO CONDOMINIUM OWNERSHIP**

This Declaration submits to the provisions, restrictions and limitations of the Oregon Condominium Act, real property hereinafter described (the "Real Property") and all improvements now existing or to be constructed on such real property, to be known as TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS.

Recitals, Intent and Purpose

Timothy R. Ralston ("Declarant"), is the owner in fee simple of the Real Property described herein below, and desires to submit the Real Property to the Condominium form of ownership, to be converted, handled and used in the manner provided by the Oregon Condominium Act. As the owner of the Real Property, Declarant is the successor in interest to Apollo Homes, Inc., an Oregon corporation, the "Declarant" under the Superseded Declaration

Declaration

Declarant hereby declares on behalf of itself, its successors, grantees and assigns, as well as to any and all persons having, acquiring or seeking to have or acquire any interest of any nature whatsoever in and to any part of the Real Property, as follows:

1. Definitions. Except as otherwise provided or modified by this Section 1, the terms contained herein shall have the meaning set forth in the Oregon Condominium Act, ORS 100.005 et seq., and said statute and its definitions are incorporated herein. As used in this Declaration and in the bylaws (the "Bylaws") of the Twenty-Two Twenty-Two Hoyt Street Condominiums Association (the "Association"), the following terms shall have the following meanings:

1.1 Association shall mean and refer to the Twenty-Two Twenty-Two Hoyt Street Condominium Association which shall be an Oregon nonprofit corporation.

1.2 Condominium means the Real Property, all buildings, and structures constructed thereon and all improvements made thereto, and all easements, rights and appurtenances belonging thereto, all of which are herewith submitted to the provisions of the Oregon Condominium Act.

1.3 Mortgage means a recorded first mortgage, first trust deed or first contract of sale that creates a first lien against a Unit, and "Mortgagee" means the holder, beneficiary or vendor of such a mortgage, trust deed or contract of sale, but only when such holder, beneficiary or vendor notifies the Association in writing of the existence of such mortgage and gives the Association a current name and mailing address.

1.4 Owner means the sole, or all joint, owners of one or more Units.

1.5 Plat means the recorded plat of Twenty-Two Twenty-Two Hoyt Street Condominium.

1.6 Unit means the airspace encompassed by the undecorated interior surface of the perimeter walls, floors and ceilings which is owned in fee simple by each owner of a Condominium Unit and which is more specifically described in Section 3.2 of this Declaration.

2. Real Property Description. The Real Property that is submitted hereunder to the Oregon Condominium Act is located in the City of Portland, Multnomah County, Oregon, and is more particularly described on Exhibit "A." Each owner shall hold fee simple title to the Unit and common elements pertaining thereto when such property is conveyed to the owner by the Declarant. Prior to such conveyance, the Declarant shall hold fee simple title to all Units and the appertaining common elements.

### 3. Name and Unit Description.

3.1 Name. The name by which the Real Property hereunder shall be known is Twenty-Two Twenty-Two Hoyt Street Condominiums.

3.2 Boundaries of Units. Each Unit shall be bounded by the interior surfaces of its perimeter walls, floors, and ceilings. The Units shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of its finished surfaces, except those portions of the walls, floors, or ceilings that materially contribute to the structure or shear capacity of the condominium. All other portions of the exterior walls, floors or ceilings shall be a part of the common elements. In addition, each Unit shall include the following:



(a) All spaces, nonbearing interior partitions, windows, window frames, exterior doors, door frames and trim, and all other fixtures and improvements within the boundaries of the Unit; and

(b) All outlets of utility service lines, including, but not limited to, power, light, gas, hot and cold water, heating, refrigeration, air conditioning and waste disposal within the boundaries of the Unit, but shall not include any part of such lines or ducts themselves.

In interpreting deeds, mortgages, deeds of trust and other instruments, for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the Unit or of a Unit reconstructed in substantial accordance with the original plans hereof shall be conclusively presumed to be the boundaries regardless of settling, rising or lateral movement of the building and regardless of variances between boundaries as shown on the plat being recorded simultaneously with this Declaration (the "Plat") and those of the actual building or buildings.

3.3. Square Footage of Units. The area of each Unit measured in square feet is as follows:

<u>Unit Designation</u>	<u>Area of Unit</u>
101	1337 square feet
102	1645 square feet
103	1102 square feet
104	1617 square feet
201	1333 square feet
202	1644 square feet
203	1106 square feet
204	1611 square feet
301	1845 square feet
302	2000 square feet

3.4. Building Description and Unit Designation. The Real Property consists of one building having three floors of residential units and common area, a below ground parking area rooftop terraces that will be limited common elements of Units 301 and 302, and a rooftop deck area that will be for the general use of all Units. There will be a total of ten (10) Condominium Units. The Condominium building has a metal roof with masonry exterior and concrete foundation, and with some masonry interior walls. Non-masonry walls for the Units are of wood frame construction.

The vertical and horizontal boundaries, number designation, location and dimension of each Unit are shown on the Plat.

3.5. Percentage of Undivided Interest in Common Element Ownership. The Units have the following percentage undivided ownership interests in the common elements, calculated on the basis of percentage of the percentage of total Unit square footage contained within each Unit:

<u>Unit Designation</u>	<u>Percentage Ownership Interest</u>
101	8.8%
102	10.8%
103	7.2%
104	10.6%
201	8.8%
202	10.8%
* <del>203</del> 204	10.5%
* <del>204</del> 203	7.3%
301	12.1%
302	13.1%

Each Unit's interest in the common elements shall be inseparable from the Unit and any conveyance, encumbrance, judicial sale, or other transfer, voluntary or involuntary, of an undivided interest in the common elements shall be void unless the Unit to which that interest is allocated is also transferred.

4. General Common Elements.

4.1 Definition. The general common elements consist of all portions of the Condominium that are not part of a Unit or a limited common element, including, without limitation, the following:

- (a) The land and improvements affixed thereto;
- (b) The foundations, columns, girders, beams, supports, bearing walls, main walls, roofs (except for terrace areas adjacent to Units 301 and 302), halls, corridors, lobbies, stairs, fire escapes, entrances and exits of the building(s);
- (c) The unassigned parking areas;
- (d) Installations of central services, such as power, light, gas, hot and cold water, heating, and waste disposal, up to the outlets within any Units;

- (e) The tanks, pumps, heat pumps, motors, fans, compressors, ducts and, in general, all apparatus and installations existing for common use;
- (f) The elevator shaft, elevator and all components thereof; and
- (g) All other elements of the building and real property that are necessary or convenient to their existence, maintenance and safety or that are normally in common use.

4.2 Maintenance, Repair and Replacement of General Common Elements:

Liability for Common Expense. Except as otherwise specifically provided in this Declaration, the cost of maintenance, repair and replacement of the general common elements shall be a common expense, and the performance of such work shall be the responsibility of the Association, except that any damage caused by the negligence or intentional act of an owner or his invitee, guest, tenant or servant shall be repaired by the Association at such owner's sole cost and expense. Although repair, maintenance and replacement of doors and door frames, windows and window frames and skylights and skylight frames (if any) shall be the responsibility of individual owners, exterior painting shall be the responsibility of the Association. Common expenses shall be assessed and apportioned among the owners as set forth in Section 10.6 of this Declaration.

4.3 Income From General Common Elements. All income derived from the common elements shall be income of the Association. The Board of Directors may, in its discretion, use such income to help meet the expense of maintaining the common elements or for such other purpose as may benefit the Association and the Unit owners in a substantially equal manner.

5. Limited Common Elements. The following shall constitute limited common elements, the use of which shall be restricted to the Units to which they pertain:

5.1 Description of Limited Common Elements.

- (a) Terraces as shown on the Plat are limited common elements appertaining to Units 301 and 302; and
- (b) Each parking space assigned to a Unit (as designated on the Plat) as follows:

<u>Parking Space Designation</u>	<u>Unit</u>
PS A	204
PS B	202
PS C	301
PS D	301
PS E	102
PS F	104
PS G	302
PS H	302
PS I	201
PS J	101
PS K	203
PS L	103

- (c) Each Unit will have an assigned storage space as designated on the Plat as follows:

<u>Storage Unit Designation</u>	<u>Unit</u>
SS A	204
SS B	202
SS C	101
SS D	301
SS E	302
SS F	203
SS G	102
SS H	104
SS I	103

5.2 Maintenance, Repair and Replacement of Limited Common Elements: Liability for Common Expense. Except as otherwise specifically provided in this Declaration, the cost of maintenance, repair and replacement of the limited common elements shall be a common expense, which shall be assessed and apportioned pursuant to Sections 3.5 and 10.6 of this Declaration, and the performance of such work shall be the responsibility of the Association, except that any damage caused by the negligence or intentional act of an Owner or his invitee, guest, tenant or servant shall be repaired by the Association at such Owner's sole cost and expense.

6. General Common Element Parking. No Owner may park a vehicle owned by or registered to an Owner, tenant or member of an Owner's or tenant's household in any portion of

the common elements except for assigned parking spaces which are limited common elements of an Owner's Unit.

7. Voting. The owner or co-owners of each Unit shall be entitled to a total of one (1) vote per Unit. "Majority" or "Majority of Unit Owners" shall mean the owners of more than fifty percent (50%) of the voting rights allocated to the Units by the Declaration. The calling and conducting of meetings of the Association and the exercise of voting rights shall be controlled by the Bylaws.

8. Use of Property.

8.1 General. Each Unit shall be used for residential purposes only. The common elements shall be used for furnishing of services and facilities to Unit owners. Every Unit owner shall have an easement to enjoy and use the general common elements in the manner for which they were intended. Additional restrictions and regulations shall be set forth in the Bylaws and rules or regulations adopted pursuant to the provisions of the Bylaws.

8.2 Rules and Regulations Promulgated by the Association. The Board of Directors shall have the authority from time to time to promulgate such policies, rules and regulations as the Board may deem to be in the best interest of the Association, including rules relating to use of common elements and describing the respective insurance obligations of Unit Owners and the Association.. No person shall use the common elements, the Units, or any part thereof in any manner contrary to or inconsistent with such rules and regulations. Without limiting the generality of the foregoing, the Board of Directors shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the common elements to the members of the Association and their respective families, guests, invitees and servants. Such use may be conditioned upon, among other things: (a) the payment by the Unit owner of assessments for common expenses and such other assessments or fees as may be established by the Association for the purpose of defraying the costs associated with the use of such common elements and the administration and operation of the Condominium Property; and (b) the observance by the Unit owner and his or her guests, invitees and servants, of the provisions of the Declaration, the Bylaws and the Association's rules and regulations. The Board of Directors shall have the authority to fine Owners who are not in compliance with the rules and regulations. The amount and the procedure to impose such fines shall be established by Board resolution.

8.3 Right of Ingress and Egress. Each Unit owner shall have a perpetual right of ingress and egress to and from the Owner's Unit. This right shall pass to all successors in interest to the Unit when the Unit is transferred voluntarily, involuntarily, or by operation of law. Any attempt to transfer voluntarily or involuntarily any common element ownership interest separately from the transfer of the Unit to which such interest pertains shall be void.

9. Contracts and Leases. All contracts or leases that are entered into before the turnover meeting (including any management contract) shall be terminable without penalty by the

Association or the Board of Directors upon not less than ninety (90) days' written notice to the other party by the Association given not later than thirty (30) days after the turnover meeting. Provided, however, that any such contracting or leasing party may request the Association to affirm the continuation of any such agreement for the balance of its stated term. Affirmation by the Association after transfer of control shall extinguish all termination rights of the Association under this Section

10. Bylaws: Association: Management.

10.1 Adoption of Bylaws. On behalf of the Association, the Declarant hereby adopts the Bylaws attached hereto as Exhibit "B" to govern the administration of the Condominium. The Bylaws shall be effective upon the execution and recording of this Declaration.

10.2 Association: Membership. The name of the Association shall be Twenty-Two Twenty-Two Hoyt Street Condominium Association. Each owner of a Unit in the Condominium shall be a member of the Association, and membership therein shall be limited to Unit owners and contract vendees of Units only. The Association, which shall be organized upon the recording of the Declaration and the Bylaws, shall serve as a means through which the Unit owners may take action with regard to the administration, management and operation of the Condominium. The Association shall be an Oregon nonprofit corporation. The Association shall operate under the name Twenty-Two Twenty-Two Hoyt Street Condominium Association or as close to that name as is permitted by the Oregon Secretary of State. If the Association is subsequently incorporated, the name of the Association shall include the complete name of the Condominium and shall be as close to that name as is possible.

10.3 Management: Board of Directors. The affairs of the Association shall be governed by a Board of Directors as provided in the Bylaws. The Board of Directors shall elect officers consisting of a chairperson, secretary and treasurer and such other officers as the Board of Directors deems prudent or convenient. Pursuant to the provisions of the Bylaws and the Oregon Condominium Act, the Board of Directors may adopt administrative rules and regulations governing details of the operation, maintenance and use of the Condominium property. The Board of Directors may contract with a professional manager or management firm to manage some or all of the affairs of the Association.

10.4 Interim Board and Officers. The Declarant has reserved control over the administration of the Association by reserving the right in the Bylaws to appoint an interim Board of Directors consisting of one person to manage the Condominium until the turnover meeting. The turnover meeting shall be held within ninety (90) days after the earlier of the following dates: the date on which seventy-five percent (75%) of the Units in the Condominium have been conveyed to persons other than the Declarant or the date on which three (3) years have elapsed since the date of the first conveyance of a Unit in the Condominium to a person other than the Declarant. The one (1) member of the interim board shall also serve as the interim officer.

10.5 Powers and Duties of the Association. The Association and the Board of Directors shall have the powers and duties granted to them by this Declaration, the Articles of Incorporation for the Association, the Bylaws, and ORS 100.405(4) and all other provisions of the Oregon Condominium Act.

10.6 Covenant to Pay Assessments: Liability for Common Expense. Each owner hereby covenants to pay to the Association annual assessments for common expenses as more fully provided in the Bylaws. No owner may avoid liability for assessments by abandonment of his Unit or non-use of the common elements. Except as otherwise provided in this Declaration or the Bylaws, each Unit and the owner thereof shall be liable for the common expense and funding of the replacement reserves, both of which shall be apportioned among the Units based upon each Unit's percentage of ownership in the common elements allocated to such Unit. Certain services provided through the Association, such as basic cable television service, may be billed on a per unit basis rather than on the basis of percentage ownership. No offset against any assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its obligations. Assessments shall be levied against all Units not later than the first day of the month next following the date when the first Unit is conveyed to a person other than the Declarant.

10.7 Common Profits. Common Profits, if any, shall be distributed among the Unit Owners in accordance with the percentage ownership interests of the Owners of Units as set forth in Section 3.5 hereof and as more fully provided in the By-laws.

10.8 Delegation. Nothing in this Declaration shall be construed to prohibit the Association or the Board of Directors from delegating to persons, firms or corporations of its choice the performance of such duties as may be imposed upon the Association or the Board of Directors by this Declaration, any Supplemental Declaration, Articles of Incorporation, the Bylaws, Association rules or regulations, or applicable law.

11. Service of Process. The designated agent to receive service of process in cases set forth in ORS 100.550(1) is named in the Condominium Information Report, which shall be filed with the Oregon Real Estate Agency in accordance with ORS 100.250(1).

12. Mortgagees. In the event of a conflict between this Section 12 and other provisions of this Declaration or any Supplemental Condominium Declaration, the provisions of this Section 12 shall prevail. The terms "Mortgage" and "Mortgagee" are defined in Section 1 of this Declaration.

12.1 Notice of Action. Upon the written request of a Mortgage holder, insurer, or guarantor to the Association, identifying the name and address of such person and the number or address of the Unit on which a Mortgage has been placed, such Mortgagee, insurer or guarantor shall be entitled to timely notice of the following:

- (a) Any condemnation loss or casualty loss that affects either a material portion of the Condominium or any Unit securing its Mortgage;
- (b) Any thirty (30) day delinquency in the payment of assessments or charges owed by an owner of any Unit on which it holds a Mortgage;
- (c) Any lapse, cancellation or material modification of any insurance policy maintained by the Association;
- (d) Any proposed action that would require the consent of a specified percentage of eligible Mortgage holders.

12.2 Mortgagee Exempt From Certain Restrictions. Any Mortgagee that comes into possession of the Unit pursuant to the remedies provided in the Mortgage, by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal" or other restriction on the sale or rental of the mortgaged Unit, including, but not limited to, restrictions on the age of Unit occupants and restrictions on the posting of signs pertaining to the sale or rental of the Unit. Provided, however, that Mortgagees shall not be exempt from the restriction that Units cannot be rented for periods of fewer than thirty (30) days.

12.3 Subordination of Association Lien to Mortgage: Discharge of Lien Upon Foreclosure. The lien of the Association shall be subordinate to any first Mortgage. Any first Mortgagee that comes into possession of the Unit pursuant to the remedies provided in the Mortgage, by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, and any purchaser at the foreclosure sale of a first Mortgage, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue before such Mortgagee comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units, including the mortgaged Unit).

12.4 Professional Management. Upon the written request of holders of first Mortgages that represent at least seventy-five percent (75%) of the votes of mortgaged Units in the Condominium, the Board of Directors shall employ a professional manager to manage the affairs of the Association. Without the prior written approval of the holders of first Mortgages that represent at least fifty percent (50%) of the votes of mortgaged Units in the Condominium, the Association may not terminate professional management and assume self-management of the Condominium. Additionally, if professional management has previously been required by any Mortgage holder, any such decision to establish self-management shall require prior consent of the owners of Units to which fifty percent (50%) of the votes in the Association are allocated. Any agreement for professional management shall provide that the management contract may be terminated for cause on ninety (90) days' written notice.



12.5 Consent of Mortgagees to Change Percentage Ownership in Common

Elements. The Unit owners may not reallocate the percentage of interest in the common elements attributable to any Unit without the prior written approval of holders of first Mortgages that represent at least seventy-five percent (75%) of the votes of mortgaged Units with respect to which the percentage of ownership is proposed to be altered. Nothing in this Section 12.5 shall be construed to give the owners, the Association, or the Board of Directors, any specific authority to alter such percentage of ownership and, if any attempt is made to do so, full compliance shall be made with the Declaration, the Association's Articles of Incorporation, any Supplemental Condominium Declaration, Bylaws and the Oregon Condominium Act.

12.6 Consent of Mortgagees Required to Terminate Project. Except with respect to termination of the Condominium as a result of destruction, damage or condemnation, any termination of the Condominium shall require the written approval of holders of first Mortgages that represent at least seventy-five percent (75%) of the votes of mortgaged Units in the Condominium. Provided, however, such consent will be deemed given if a Mortgagee does not object in writing within sixty (60) days after notice of the proposed termination. Additionally, any such terminations shall be carried out by the owners pursuant to provisions of the Declaration, any applicable Supplemental Condominium Declaration, the Association's Articles of Incorporation, the Bylaws and the Oregon Condominium Act and shall be carried out only after vote of the owners, as provided in such provisions.

12.7 Limited Right of Amendment. Except upon the written approval of holders of first Mortgages that represent at least seventy-five percent (75%) of the votes of Mortgaged Units in the Condominium, no amendment that adds to or amends any material provision that establishes, provides for, governs or regulates any of the following may be made to the Declaration or the Bylaws:

- (a) voting rights;
- (b) increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), or change the provisions of this Declaration relating to assessment liens;
- (c) reductions in reserves for maintenance, repair, and replacement of common elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interests in the general or limited common elements, or rights to their use;
- (f) redefinition of any Unit boundaries;

- (g) convertibility of Units into common elements or vice versa;
- (h) expansion or contraction of the Condominium project, or the addition, annexation, or withdrawal of property to or from the Condominium project;
- (i) hazard or fidelity insurance requirements;
- (j) imposition of any restrictions on the remaining of Units;
- (k) imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- (l) restoration or repair of the Condominium (after damage or partial condemnation) in a manner other than that specified in the documents; or
- (m) any provisions that expressly benefit Mortgage holders, insurers, or guarantors.

The provisions of this Section are intended to limit only the right of the Unit owners, the Board of Directors and the Association to amend the Declaration and the Bylaws, and are not intended to give any such parties any specific rights to effect any amendments. Any amendments to the Declaration or the Bylaws shall be made only upon full compliance with the provisions of the Declaration, the Bylaws and the Oregon Condominium Act relating to the procedure and percentage of votes required for such amendment. An addition or amendment to the Declaration or the Bylaws shall not be considered to be material so as to require the consent or approval of Mortgagees, if its purpose is to correct technical errors or if it to clarify.

12.8 Request for Approval of Mortgagees. Any Mortgagee that receives a written request to approve additions or amendments to the Declaration or the Bylaws, or any other action to be taken by the Board of Directors, the Association or Unit owners shall be considered to have given such approval unless such Mortgagee delivers or posts a negative response within sixty (60) days after receipt of such request.

12.9 Proxy Held by Mortgagee in Certain Cases. If a Mortgagee reasonably believes that the Association has failed to maintain the common elements so as to prevent excessive wear and tear, such Mortgagee may attend a meeting of the Association and may cast the vote of the Mortgagor of the Unit on which such Mortgagee holds a Mortgage if the proposal under consideration concerns painting or otherwise maintaining the common elements, including imposing special assessments necessary to pay for such maintenance. Provided, however, such right shall arise only in the event the Mortgagee reasonably believes the Association has failed to maintain the common elements in sufficient manner to prevent excessive wear and tear.

12.10 Right to Examine Documents. The Association shall make available to Unit owners, lenders and Mortgagees current copies of the Declaration, the Bylaws, the Articles of Incorporation, other rules concerning the Condominium, and the books, records and financial statements of the Association. The Association shall have the right to impose a reasonable charge for any copies requested by owners, lenders or Mortgagees.

12.11 Right to Receive Annual Reports. The holders of first Mortgages representing at least seventy-five percent (75%) of the votes of mortgaged Units in the Condominium shall be entitled to have an audited financial statement prepared at their expense if such statement is not otherwise available. The Association and its officers, directors and manager (if any), shall cooperate with such Mortgage holders and their auditors to facilitate the necessary auditing and review process. Such financial statement shall be furnished within a reasonable time following request.

12.12 Right to Receive Written Notice of Meetings. Upon a Mortgagee's written request, the Association shall give all Mortgagees written notice of all meetings of the Association, and such Mortgagees shall be permitted to designate a representative to attend all such meetings.

12.13 List of Mortgagees. The Association shall maintain at all times a list of Mortgagees who have given the Association notice on any matter described in Section 12 of this Declaration, which list shall include their names, addresses, the Units and mortgagors affected, and the matters with respect to which such Mortgagees have requested notice, provided that such information has been furnished to the Association by the owners or their Mortgagees.

13. Amendments to Declaration. Except where a larger percentage of approval is required by law, this Declaration may be amended from time to time by approval of Unit owners holding seventy-five percent (75%) or more of the voting rights as otherwise set forth in this Declaration. Provided, however, that this Declaration shall not be amended to reduce or eliminate the rights of any Mortgagee without all such Mortgagees' prior written consent. No amendment may change the size, location, percentage of interest in the common elements, method of determining liability for common expenses, right to common profits or voting power of any Unit(s) unless such amendment has been approved by the owners and the Mortgagees of the affected Unit(s).

13.1 Declarant's Approval Required. Declarant's prior written consent shall be required for any amendment to this Declaration until the earlier of the following dates: the date on which seventy-five percent (75%) or more of the Units in the Condominium have been conveyed to owners other than the Declarant, or the date on which three (3) years have elapsed since the first conveyance of a Unit in the Condominium. Provided, however, that even thereafter, no amendment may limit or reduce any of the Declarant's special rights, whether reserved herein or otherwise provided by law.

13.2 Recordation/County Assessor and Commissioner Approval Required. An amendment to the Declaration shall be effective upon recordation in the Deed Records of Multnomah County, Oregon, certified to by the chairperson and secretary of the Association. If required by law, an amendment shall be approved by the County Assessor and the Real Estate Commissioner. Approval by the Commissioner shall not be required for an amendment to a declaration transferring the right of use of a limited common element pursuant to ORS 100.515(5).

14. Subdivision. No Unit may be subdivided or partitioned into divisions of any nature.

15. Authority to Grant Easements, Rights-of-Way, Licenses and Other Similar Interests/Encroachments.

15.1 General. The Association shall have the authority and in accordance with ORS 100.405(5)(6)(7)(8) and any successor statute, to execute, acknowledge, deliver and record easements, rights-of-way, licenses and other similar interests affecting the general common elements on behalf of Unit owners, provided that the granting of any such interest has been approved by at least seventy five percent (75%) of the Unit owners. An instrument granting any such interest shall be executed by the chairperson and secretary of the Association, shall be acknowledged in the manner provided for acknowledgment of such instruments by such officers, and shall state that such grant was approved by at least seventy five percent (75%) of the unit owners.

15.2 Utility Easements: Dedications. Anything in this Declaration to the contrary notwithstanding, the Declarant shall have the right to execute, deliver and record on behalf of the Association and the Unit owners such documents as may be required to grant easements, rights-of-way and licenses over the common elements for the installation, maintenance and repair of public utilities serving the Condominiums or adjacent property. The Declarant shall also have the right to execute, deliver and record on behalf of the Association and the Unit owners such deeds and other documents as may be required to convey, dedicate, or grant such easements, rights-of-way or licenses over common elements, as may be required by any government or governmental agency in order to complete development of the Condominiums. To effect the intent of this Section 15.2, each Unit owner, by acceptance of a deed or contract to a Unit, whether or not it shall be expressed in such deed or contract, for himself and his successors in interest, irrevocably appoints Declarant, or his nominee, as his lawful attorney-in-fact for the purpose of executing any and all documents required or permitted to be executed hereunder. The Power of Attorney and the rights under this Section shall expire at such time as the Declarant no longer owns a Unit or three (3) years from the date this Declaration is recorded, whichever is earlier.

15.3 Encroachments. There shall be an easement for any encroachment of the common elements on any Unit or an encroachment of any Unit on the common elements or another Unit arising from the original construction, reconstruction, authorized repair, shifting, settling or other movement of any portion of the condominium improvements. Such easements

shall exist indefinitely and may be terminated only by the voluntary act of the party who benefits from the easement(s).

16. Declarant's Special Rights. The Declarant shall have the following special rights:

16.1 Sales Office and Model. The Declarant shall have the right to maintain sales and/or rental offices and sales and/or rental models in one or more of the Units that Declarant owns. Declarant, its agents and prospective purchasers shall have the right to park automobiles in the parking area on the common elements and to use and occupy the sales and/or rental office and models during reasonable hours any day of the week.

16.2 "For Sale" and "For Rent" Signs. The Declarant may maintain a reasonable number of "For Sale" and/or "For Rent" signs at reasonable locations on the Condominium property.

16.3 No Capital Assessments Without Consent. Neither the Association nor the Board of Directors shall make any assessments for new construction, acquisition, capital improvements or otherwise without the prior written consent of the Declarant, as long as the Declarant owns one or more Units. Nothing contained in this Section 16.3 shall be construed to limit Declarant's obligation to pay assessments for common expenses on Units owned by the Declarant pursuant to requirements of the Oregon Condominium Act.

16.4 Common Element Maintenance by the Association. The Association shall maintain all common elements in a clean and attractive condition. If the Association fails to do so, the Declarant may perform such maintenance at the expense of the Association.

16.5 Declarant's Easements. The Declarant and its agents and employees, shall have an easement on and over the common elements for the completion of any portion of the Condominiums, including the furnishing and decoration of any Unit, sales office or model, and the right to store materials on the common elements at reasonable places and for reasonable lengths of time.

16.6 Declarant's Other Special Rights. The rights reserved to the Declarant in this Section 16 shall in no way limit any other special rights that Declarant, as a declarant, may have, whether pursuant to the Oregon Condominium Act or otherwise. Upon the expiration of any or all such special rights, the Declarant shall have the same rights as any other owner in the Condominiums with respect to such ownership.

16.7 Assignment of Declarant's Rights. The Declarant shall have the right to assign any and all of its rights, including, without limitation, Declarant's special rights, as set forth in thin Section 16, or to share such rights with one (1) or more other persons exclusively, simultaneously, or consecutively.

16.8 Expiration of Declarant's Special Rights. Unless otherwise provided, the Declarant's special rights, as reserved in this Section 16, shall expire upon the conveyance by the Declarant of the last Unit owned by the Declarant or five (5) years after the first conveyance of a Unit in the Condominiums, whichever is earlier.

17. Right to Make Additions to Common Elements. The Declarant reserves the right to create additional common elements consisting of part of the Condominiums buildings, land, pavement, landscaping and parking spaces. However, the Declarant does not reserve the right to create substantial recreational amenities.

18. General Provisions.

18.1 Interpretation. The rights and obligations of all members of the Association and any person dealing with the Association or any of its members with respect to matters pertaining to the Declaration, Articles of Incorporation, any Supplemental Declaration or the Bylaws shall be interpreted in accordance with and governed by the laws of the State of Oregon.

18.2 Severability. Each provision of the Declaration, any Supplemental Declaration, the Articles of Incorporation and the Bylaws shall be independent and severable. The invalidity or partial invalidity of any provision thereof shall not affect any of the remaining portions of that or any other provision of this Declaration or the Bylaws.

18.3 Waiver of Rights. The failure of the Association, the Board of Directors, an officer or a Unit owner to enforce any right, provision, covenant or condition provided in the Declaration, any Supplemental Declaration, Articles of Incorporation or the Bylaws shall not constitute a waiver of the right of any such party to enforce such right, provision, covenant or condition in the future.

18.4 Legal Proceedings Failure to comply with any of the terms of the Declaration, any Supplemental Declaration, Articles of Incorporation, the Bylaws and any rules or regulations adopted thereunder shall be grounds for relief, which may include, without limitation, fining the noncomplying owner, bringing an action to recover money due, damages or a suit for injunctive relief, or an action to foreclose a lien, or any combination thereof. Relief may be sought by the Association, Board of Directors, an officer, a professional manager or management firm, or, if appropriate, by an aggrieved Unit owner.

18.5 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit owner to comply with the terms and provisions of this Declaration (as amended or supplemented), the Bylaws (as amended), Articles of Incorporation, rules and regulations adopted under the Bylaws, or the Oregon Condominium Act, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorneys' fees as may be determined by the trial court in any trial or by the appellate court in any appeal thereof. In


addition, the Association shall be entitled to recover costs and attorneys' fees incurred by it to collect delinquent assessments or fines, or to enforce the terms of the Declaration, Bylaws or any rules or regulations promulgated thereunder whether or not any collection or foreclosure action or suit is filed.

18.6 Compliance. Each Unit owner shall comply with the provisions of the Declaration, Articles of Incorporation, and the Bylaws, and with the administrative rules and regulations adopted thereunder, and with all other applicable covenants, conditions and restrictions of record. Failure to comply therewith shall be grounds for suit or action, maintainable by the Association or any Unit owner in addition to other sanctions that may be provided by the Bylaws or by any existing administrative rules and regulations.

18.7 Conflicting Provisions. In the event of a conflict between or among the provisions of the Declaration, the Articles of Incorporation of the Association, the Bylaws and any administrative rules and regulations, the provisions of the Declaration shall be paramount to those of the Articles, Bylaws and the rules and regulations, and the Articles shall be paramount to the Bylaws and the rules and regulations and those of the Bylaws shall be paramount to the rules and regulations. For purposes of this Section 18.7, the term "Declaration" shall include all amendments to this Declaration and Supplemental Declarations, and the term "Bylaws" shall include all amendments to the Bylaws.

18.8 Section and Paragraph Captions. Section and paragraph captions shall not be deemed to be a part of this Declaration unless the context otherwise requires. In construing this Declaration, if the context so requires, the singular shall be taken to mean and to include the plural, the masculine shall be taken to mean and to include the feminine and the neuter and, generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to individuals, trusts, estates, personal representative, trustees and corporations.

The undersigned Declarant of the subject property has caused this Declaration to be executed this 5<sup>th</sup> day of May, 2005.

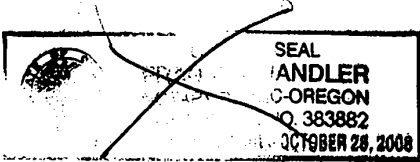
  
\_\_\_\_\_  
Timothy R. Ralston

[Acknowledgment of Declarant's signature and required approvals appear on the following page]

STATE OF OREGON )  
 ) ss.  
County of )



Personally appeared before me on this 5<sup>th</sup> day of May, 2005, the above-named Timothy R. Ralston who, being duly sworn, acknowledged said instrument to be his voluntary act and deed.



Fran W. Chandler  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 10-28-08

The foregoing Declaration is approved pursuant to ORS 100.110 this 12 day of May, 2005 and, in accordance with ORS 100.110(7), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this date.

SCOTT W. TAYLOR  
Real Estate Commissioner

By: [Signature]

The foregoing Declaration is approved pursuant to ORS 100.110 this 13<sup>th</sup> day of May, 2005.

COUNTY ASSESSOR

By: [Signature]



## EXHIBIT "A"

Lots 1 and 2, Block 17, "KING'S SECOND ADDITION TO THE CITY OF PORTLAND", situated in the Northwest quarter of Section 33, Township 1 North, Range 1 East, Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, being more particularly described as follows:

Beginning at the initial point, said point being a found 5/8-inch iron rod with yellow plastic cap marked "Westlake Consultants" located at the Southeast corner of said Lot 2, Block 17, "KING'S SECOND ADDITION TO THE CITY OF PORTLAND"; thence West, along the South line of said Lot 2, a distance of 100.00 feet to the Southwest corner of said Lot 2; thence North, along the West line of said Lots 2 and 1, a distance of 100.00 feet to the Northwest corner of said Lot 1, said point being on the South right-of-way line of NW Hoyt Street; thence East, along said South right-of-way line and the North line of Lot 1, a distance of 100.00 feet to the Northeast corner of said Lot 1, said point being on the West right-of-way line of NW 22nd Avenue; thence South, along said West right-of-way line and the East line of Lots 1 and 2, a distance of 100.00 feet to the initial point.

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BYLAWS  
OF  
TWENTY-TWO TWENTY-TWO HOYT STREET CONDOMINIUMS ASSOCIATION  
Exhibit "B" to Condominium Declaration  
("the Declaration")

ARTICLE 1

PLAN OF UNIT OWNERSHIP

1.1 Unit Ownership. The condominium project, located in the City of Portland, County of Multnomah, State of Oregon, known as Twenty-Two Twenty-Two Hoyt Street Condominiums, is submitted to the provisions of ORS 100.005 et seq., the Oregon Condominium Act, by that certain "Declaration Submitting Twenty-Two Twenty-Two Hoyt Street Condominiums to Condominium Ownership" recorded \_\_\_\_\_, 20\_\_ in the official records of Multnomah County, Oregon (the "Declaration") and these Bylaws.

1.2 Bylaws Applicability. The provisions of these Bylaws are applicable to Declarant and its successors and assigns, the Twenty-Two Twenty-Two Hoyt Street Condominiums Association, an Oregon non-profit corporation, ("Association") and the entire management structure thereof. (The term "Condominium" as used herein shall include the land.)

1.3 Personal Application. All present or future owners, tenants, future tenants or their employees, or any other person that might use the facilities of the Condominium in any manner, are subject to the regulations set forth in these Bylaws. The acquisition, occupancy or rental of any of the Units of the Condominiums or the mere act of occupancy of any such Units will constitute acceptance and ratification of these Bylaws and agreement to comply with all the provisions hereof.

1.4 Definitions Except as otherwise provided below, the terms herein shall have the meaning set forth in the Oregon Condominium Act, ORS 100.005 et. seq., as supplemented by the Declaration, and said statute and definitions are incorporated herein by this reference.

ARTICLE 2

ASSOCIATION MEMBERSHIP, VOTING,  
MAJORITY OF OWNERS, QUORUM, PROXIES

2.1 Membership in the Association. Upon recordation of a conveyance or contract to convey a Unit, the grantee or purchaser named in such conveyance or contract shall automatically be a member of the Association and shall remain a member of the Association until such person's ownership ceases for any reason. For all purposes of the Declaration and the administration of the Condominiums, Unit ownership shall be determined on the basis of the

records maintained by the Association. The record shall be established by the Unit owner filing with the Association a copy of the deed to or land sale contract for his Unit, to which shall be affixed the certificate of the recording officer of the County of Multnomah, Oregon, showing the date and place of recording of such deed or contract. No person shall be recognized as a Unit owner unless a copy of the deed or contract showing him to be the current owner or contract purchaser of a Unit, has been filed with the Association as provided above. Notwithstanding the foregoing, the Declarant shall be the owner of all previously unsold Units, although no deed or land sale contract, with respect to such Units, has been filed with the Association.

2.2 Voting. The owner or co-owners of each Unit shall be entitled to one vote per Unit. The calling and conducting of meetings of the Association and the exercise of voting rights shall be controlled by Articles 2 and 3 of the Bylaws.

2.3 Majority of Owners. As used in these Bylaws, the term "majority of owners" shall mean those owners holding over fifty percent (50%) of the voting rights allocated to the Unit owners in accordance with the Declaration and Section 2.2 above. "Majority of owners present" shall mean owners holding over fifty percent (50%) of the votes rights present at any legal meeting as defined in Section 2.8 hereof.

2.4 Quorum. Except as otherwise provided in these Bylaws, the presence in person, by proxy or by ballot of owners holding fifty per cent (50%) or more of the outstanding votes in the Condominiums, as defined in Section 2.2 hereof, shall constitute a quorum.

2.5 Proxies; Ballots. Votes may be cast in person, by proxy or by written ballot. Proxies must be filed with the secretary of the Association ("Secretary") before or during the appointed meeting. An owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the association of unit owners. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one year after its date unless the proxy specifies a shorter term. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. In the sole discretion of the Board of Directors, a meeting of the Association may be held by ballot rather than at a formal gathering. Ballots for such meeting must be properly executed and returned in sufficient quantity to constitute a quorum and/or to pass the proposal(s) specifically propounded on the ballot. Unless withdrawn, a proxy given to another person to vote at a specific meeting also shall be valid at an adjourned meeting called under the provisions of Section 3.8 hereof. No cumulative voting shall be permitted.

2.6 Authority to Vote. All owners, including those who have leased their premises to a third party, shall be entitled to vote. An owner's right to vote may not be revoked, but may be suspended by action of the Board of Directors after reasonable notice and opportunity to cure for delinquency in payment of assessments or failure to comply with the Declaration, these Bylaws, or any rule or regulation adopted by the Association and in effect from time to time. Upon cure of such delinquency or failure to comply, an Owner's right to vote will be reinstated by the Board of

Directors at the regular or special meeting of the Board of Directors next occurring after the cure has been effected. A purchaser under a land sale contract who is entitled to immediate possession of the Unit shall be deemed to be the owner thereof, unless otherwise provided in such contract.

2.7 Fiduciaries and Joint Owners. An executor, administrator, guardian or trustee may vote, in person, by proxy or by ballot, at any meeting of the Association with respect to any Unit owned or held by him in such capacity, whether or not the same shall have been transferred to his name; provided, that he shall satisfy the Secretary that he is the executor, administrator, guardian or trustee, holding such Unit in such capacity. Whenever any Unit is owned by two (2) or more persons jointly according to the records of the Association, the vote of such Unit may be exercised by any one (1) of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of such disagreement and such protest, the vote of such Unit shall be disregarded completely in determining the proportion of votes given with respect to such matter. A valid court order may establish the right of co-owners' authority to vote.

2.8 Actions by Association: Legal Meetings. Except as otherwise provided in the Declaration, the Articles of Incorporation, these Bylaws, the Oregon Condominium Act or the Oregon Nonprofit Corporation Act, decisions and resolutions of the Association shall require approval by a majority of voting rights of owners present at any legal meeting. For purposes of these Bylaws, a legal meeting is one duly called pursuant to these Bylaws at which a quorum is present in person or by proxy, or by ballot where the number of owners casting written ballots constitutes a quorum.

## ARTICLE 3

### ADMINISTRATION

3.1 Association Responsibilities. The owners of the Units constitute the members of the Association which has the responsibility of administering the project, approving the annual budget, establishing and collecting assessments and arranging for the operation, management and maintenance of the Condominium, including negotiating and contracting with and supervising any person or business entity with respect to such matters. The Association shall be incorporated as an Oregon nonprofit corporation.

3.2 Place of Meetings. Formal meetings of the Association shall be held at the principal office of the Condominium or such other place that is convenient to the owners as may be designated by the Board of Directors. The outcome of a ballot meeting shall be determined by the Board of Directors within forty-eight (48) hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within forty-eight (48) hours of the postponed date. Each Unit owner shall be notified within ten (10) days after the ballots have been counted, by



mail or other delivery of written notice, of the results of the ballot meeting or that a quorum of ballots was not returned.

**3.3 Turnover Meeting.** The turnover meeting (which shall constitute the initial organizational meeting of the Association) shall be held within ninety (90) days after the earlier of the following: the date on which seventy-five percent (75%) of the Units that the Declarant has reserved the right to create have been conveyed to persons other than the Declarant or the date on which three (3) years have elapsed since the first conveyance of a Unit to someone other than the Declarant. The turnover meeting shall be called by notice to all Unit owners of the time, place and purpose thereof not less than seven (7), nor more than fifty (50), days before the meeting. If such meeting is not called by the Declarant within the time specified, the meeting may be called and notice given by a Unit owner.

At the turnover meeting, the Declarant shall relinquish control of the administration of the Association and the Unit owners shall assume such control and shall elect a board of directors ("Board of Directors") in accordance with the provisions of Article 4 of these Bylaws. Additionally, the Declarant shall deliver to the Association those items specified in the Oregon Condominium Act to be turned over by the Declarant at the turnover meeting. To facilitate an orderly transition, during the three (3) month period following the turnover meeting, the Declarant or an informed representative shall be available to meet with the Board of Directors on at least three (3) mutually acceptable dates to review the documents delivered to the Association as required by the Oregon Condominium Act and as referred to above.

**3.4 Annual Meetings.** The first annual meeting of the Association shall be held during the calendar year following the calendar year during which the turnover meeting is held, and its date shall be set by action of the Board of Directors. All subsequent meetings shall be held at least once each calendar year. The date of the annual meetings may be changed from time to time, at the discretion of the Board of Directors. At such annual meetings, new members of the Board of Directors shall be elected by the owners in accordance with the requirements of Section 4.6 of these Bylaws, to replace those directors whose terms have expired. The owners may also transact such other business of the Association as may properly come before them.

**3.5 Special Meetings.** Special meetings of the association may be called by the Chairperson of the Board of Directors, a majority of the Board of Directors or upon the presentation to the Secretary of a petition signed by twenty-five percent (25%) or more of the owners. All meetings called because of petition of Unit owners shall be held at a formal gathering and not by ballot, and shall be held within twenty (20) days after receipt of the petition. No business, except as stated in the notice therefor, shall be transacted at a special meeting unless by consent of all the owners of the Units or as otherwise set out in these Bylaws.

**3.6 Notice of Meetings.** The Secretary, or other officer of the association, shall mail by first class or shall hand deliver a notice of each annual or special meeting, stating the time and place where it is to be held, the items on the agenda, including the general nature of any proposed

amendment to the declaration or bylaws, any budget changes or any proposal to remove a director or officer of the association, to each owner of record at least ten (10) but not more than fifty (50) days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. The mailing shall be to each unit or to the mailing address designated in writing by the owner, and to all mortgagees that have requested such notice. Mortgagees may designate a representative to attend an annual or special meeting called. The Secretary shall hand deliver or mail by first class or certified mail written ballots for ballot meetings to each owner of record not less than thirty (30) days prior to the date on which such ballots must be received by the Association in order to be counted. If Unit ownership is split or the Unit has been sold on a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If no address has been given to the Secretary in writing, then mailing to the Condominium Unit shall be sufficient. The mailing of a notice in the manner provided in this Section shall be considered notice served.

**3.7 Adjourned Meetings.** If any gathering of owners is not a legal meeting because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than twenty-four (24) hours nor more than seven (7) days from the time the original meeting was called. The Board of Directors may postpone the date for counting the ballots of a ballot meeting, in one or more postponements, for up to thirty (30) days after the originally scheduled ballot return date if a quorum of ballots has not been returned and/or for matters on which a certain percentage approval is required and that vote has not been received nor have sufficient votes in opposition been received to negate such approval.

**3.8 Ballot Meetings.** Unless prohibited or limited by the Articles of Incorporation of the Association, and subject to the provision set forth in Section 4.8, and except for the turnover meeting required under ORS 100.210 (and any successor statute) and the annual meeting of the Association if more than a majority of the Units are the principal residences of the occupants, any action that may be taken at any meeting of the Unit owners may be taken without a meeting if the Association delivers a written ballot to every Unit owner entitled to vote on the matter. The Board of Directors shall provide Owners with at least ten (10) days' notice before written ballots are mailed or otherwise delivered, which notice shall state: (i) the general subject matter of the vote by written ballot; (ii) the right of Owners to request secrecy procedures; (iii) the date after which ballots may be distributed; (iv) the date and time by which any petition must be received by the Board of Directors requesting secrecy procedures; and (v) the address where any petition must be delivered. If, at least three (3) days before written ballots are scheduled to be mailed or otherwise distributed, at least ten percent (10%) of the owners petition the Board of Directors requesting secrecy procedures, a written ballot must be accompanied by: (i) a secrecy envelope; (ii) a return identification envelope to be signed by the owner; and (iii) instructions for marking and returning the ballot. Such ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. A proposed action shall be deemed to be approved by written ballot when the number of votes cast by ballot equals or exceeds any quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which

the total number of votes cast was the same as the number of votes cast by ballot. The proposal will be deemed rejected when the number of votes cast in opposition renders approval impossible or when both the date for return of ballots has passed and such required percentage has not been met. The votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date they are counted.

3.9 Order of Business. The order of business at all meetings of the owners of Units shall be as follows unless the Board of Directors sets a different agenda:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of the preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New business.

3.10 Conduct of Meetings. All meetings of the members of the Association shall be conducted in accordance with Robert's Rules of Order.

## ARTICLE 4

### BOARD OF DIRECTORS

4.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons, each of whom must be an owner or a co-owner of a Unit. Provided, however, that if a Unit is owned by more than one (1) owner, only one (1) owner of that Unit may serve on the Board of Directors at any one time. An officer or employee of a corporation, a trustee of a trust, a personal representative of an estate, or an employee of a trust or estate, may serve on the Board of Directors, if such corporation, trust or estate owns a Unit. Notwithstanding the foregoing, prior to the turnover meeting described in the Declaration, the Board of Directors will consist of one (1) person appointed by the Declarant as provided in Section 4.5.

4.2 Powers and Duties. The Board of Directors may act on behalf of the Association and shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not limited by law, these Bylaws or the Declaration. In the performance of their duties, officers and members of the Board of Directors shall exercise the care required of fiduciaries.

4.3 Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors shall have authority to carry out and shall be responsible for the following matters:

4.3.1 Adopt and amend bylaws and rules and regulations;

4.3.2 Adopt and amend budgets for revenues, expenditures and reserves and levy and collect assessments for common expenses from unit owners;

4.3.3 Hire and terminate managing agents and other employees, agents and independent contractors;

4.3.4 Defend against any claims, proceedings or actions brought against it;

4.3.5 Initiate or intervene in litigation or administrative proceedings in its own name, and without joining individual Unit owners in: (i) matters relating to the collection of assessments and the enforcement of declarations and bylaws; (ii) matters arising out of contracts to which the association is a party; (iii) actions seeking equitable or other nonmonetary relief regarding matters that affect the common interests of the unit owners, including but not limited to the abatement of nuisance; (iv) matters relating to or affecting common elements, including but not limited to actions for damage, destruction, impairment or loss of use of any common element; (v) matters relating to or affecting the units or interests of unit owners including but not limited to damage, destruction, impairment or loss of use of a unit or portion thereof if resulting from a nuisance or a defect in or damage to a common element or required to facilitate repair to any common element; and (vi) any other matter to which the Association has standing under law or pursuant to the Declaration, Bylaws or any articles of incorporation;

4.3.6 Make contracts and incur liabilities and adopt a method for approval of payments by at least two officers of the Association;

4.3.7 Regulate the use, maintenance, repair, replacement and modification of common elements;

4.3.8 Cause additional improvements to be made as a part of the common elements;

4.3.9 Acquire by purchase, lease, devise, gift or voluntary grant real or personal property or any interest therein and take, hold, possess and dispose of real or personal property or any interest therein;

4.3.10 Impose and receive any payments, fees or charges for the use, rental or operation of the common elements;

4.3.11 Impose charges for late payment of assessments, attorney fees for collection of assessments and, after giving written notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws and rules and regulations of the association, provided that the charge imposed or fine levied by the Association is based: (i) on a schedule contained in the declaration or bylaws, or an amendment to either that is delivered to each unit, mailed to the mailing address of each unit or mailed to the mailing addresses designated in writing by the owners, or (ii) on a resolution adopted by the Board of Directors of the Association that is delivered to each Unit, mailed to the mailing address of each Unit or mailed to the mailing addresses designated by the Owners in writing;

4.3.12 Adopt rules regarding the termination of utility services paid for out of assessments of the Association and access to and use of recreational and service facilities available to Unit Owners and, after giving written notice and an opportunity to be heard, terminate the rights of any owners to receive such benefits or services until the correction of any violation covered by such rule has occurred;

4.3.13 Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of assessments;

4.3.14 Assign its right to future income, including the right to receive common expense assessments;

4.3.15 Provide for the indemnification of its officers and executive board, as may be limited by ORS 61.218 (3)(d), or any successor statute, and maintain Directors' and officers' liability insurance;

4.3.16 Exercise any other powers conferred by the Declaration or Bylaws;

4.3.17 Exercise any other powers determined by the Association to be necessary and proper for the governance and operation of the Association;

4.3.18 Cause the Association to comply with ORS 100.480 and its subparts and any successor statute(s) relating to maintenance of documents delivered to the Association by the Declarant and maintenance and distribution of financial statements and to maintain copies suitable for duplication of the following: the Declaration, the Articles of Incorporation, the Bylaws, the Association rules and regulations and any amendments thereto, the most recent annual financial statement, and the current operating budget of the Association.

4.3.19 Cause the Association to file an Annual Report with the Oregon Real Estate Agency, as provided in ORS 100.250 and ORS 100.260.

4.3.20 Fill any vacancy in its membership for the unexpired portion of any term.

4.3.21 Cause the Association to annually file the necessary income tax returns for the Association.

4.3.22 Cause the Association to prepare an annual financial statement consisting of a balance sheet and income and expenses statement for the preceding year and distribute to each Unit Owner a copy of said financial statement within ninety (90) days after the end of the preceding fiscal year.

4.4 Management Agent. The Board of Directors may employ a management agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4.3 hereof. Any such management contract must be cancelable without penalty upon ninety (90) days' written notice. Any management contract entered into by the Declarant before the turnover meeting may be canceled by the Board of Directors elected at the turnover meeting upon thirty (30) days' written notice given not later than thirty (30) days after the turnover meeting.

4.5 Interim Director. Upon the filing of the Declaration submitting the Condominium to the Oregon Condominium Act, the Declarant shall appoint an interim board of one (1) director (who need not be an owner of a Unit), who shall serve until replaced by the Declarant or successors have been elected by the Unit owners at the turnover meeting as hereinafter provided.

4.6 Election and Term of Office. At the turnover meeting, upon agreement by vote of the owners, the Board of Directors may be elected by a single ballot, with each owner permitted to vote for three (3) nominees. In such event, the nominee receiving the highest number of votes shall be a Director serving a two (2) year term, the nominee receiving the second highest number of votes shall be a Director serving a two (2) year term, and the nominee receiving the fewest votes shall be a Director serving a one (1) year term. At the expiration of the initial term of office of each respective Director, a successor shall be elected to a term of two (2) years. The Association may increase or decrease the number of Directors and length of terms for which each is elected upon amendment of this Section 4.6.

4.7 Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled for the balance of the term of each directorship by vote of a majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until his successor is elected upon expiration of the term for which such person was elected by the other Directors to serve.

4.8 Removal of Directors. At any legal annual or special meeting, other than a meeting by ballot, any one (1) or more of the Directors, other than members appointed by the declarant or persons who are ex officio directors, may be removed with or without cause, by a majority vote of all owners present and entitled to vote at any meeting of the owners at which a quorum is present. A successor may be then and there elected to fill the vacancy thus created. No removal

of a member of the Board of Directors is effective unless the matter of removal is an item on the agenda and stated in the notice for the meeting required under Section 3.6. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting. Any Director or Directors who fail(s) to attend three (3) successive meetings of the Board of Directors which have been properly called, or who has failed to attend more than forty percent (40%) of the Board of Directors meetings during a twelve (12) month period which have been properly called, may be removed by a majority of the remaining Directors.

4.9 Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within thirty (30) days after its election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice need be given to the newly elected Directors to hold such meeting legally, providing that a majority of the newly elected Directors are present.

4.10 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but shall be held no less often than quarterly. Notice of regular meetings of the Board of Directors may be called by the Chairperson on three (3) days' notice to each Director, given personally or by mail, telephone, facsimile, telegraph or other similarly reliable method, which notice shall state the time, place (as herein above provided) and purpose of the meeting.

4.11 Special Meetings. Special meetings of the Board of Directors may be called by the Chairperson or Secretary or on the written request of at least two (2) Directors. Special meetings of the Board of Directors may be called on seven (7) days' notice to each Director, given personally or by mail, telephone, facsimile or telegraph, which notice shall state the time, place (as herein above provided) and purpose of the meeting.

4.12 Waiver of Notice by Directors. Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting.

4.13 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the existing Directors shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors shall be the acts of the Board of Directors. A majority of those present may adjourn a meeting of the Board of Directors at which less than a quorum is present. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

4.14 Board of Directors' Meetings Open to All Association Members. All meetings of the Board of Directors shall be open to all members of the Association, except that, in the

discretion of the Board, the following matters may be considered in executive session: consultation with legal counsel concerning existing or potential litigation or criminal matters; personnel matters; negotiations of contracts with third parties; and collection of unpaid assessments. No Association member shall have a right to participate in the Board of Directors' meetings unless such member is also a member of the Board of Directors. The Chairperson shall have authority to exclude any Association member who disrupts the proceedings at a meeting of the Board of Directors.

4.15 Notice to Association Members of Board of Directors' Meetings. For other than emergency meetings, notice of Board of Directors' meetings shall be posted at a place on the Condominium property at least three (3) days prior to the meeting or notice otherwise shall be provided to each member of the Association in a manner that is reasonably calculated to inform each member of such meetings. The posting of such notices shall be at a reasonable location which has been generally publicized to the Unit owners.

4.16 Telephonic Meetings. In the event of an emergency, telephonic meetings may be held by the Board of Directors. Such telephonic meetings shall be carried on by means of a "conference call" in which each Director may speak with any of the other Directors. The Directors shall keep telephone numbers on file with the Chairperson to be used for telephonic meetings. No notice to either Directors or Association members shall be required for a telephonic meeting of the Board of Directors to be held for any emergency action. Provided, however, that no such telephonic meeting shall occur unless at least sixty-six percent (66%) of the Board of Directors participate in the same and after an attempt has been made to call each Director at the telephone number maintained on file with the Board of Directors for such purpose.

4.17 Compensation of Directors. No Director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by a majority vote of the Unit owners.

4.18 Conduct of Meetings. All meetings of the Board of Directors shall be conducted in accordance with Robert's Rules of Order.

## ARTICLE 5

### OFFICERS

5.1 Designation. The principal officers of the Association shall be a chairperson, a secretary and a treasurer, all of whom shall be elected by the Directors. The Directors may appoint an assistant treasurer and an assistant secretary and any such other officers as in their judgment may be necessary.

5.2 Election of Officers. The officers of the Association may be elected by the Board of Directors at the organizational meeting of each new Board or any Board meeting thereafter and



shall hold office at the pleasure of the Board.

5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor shall be elected at any regular or special meeting of the Board of Directors.

5.4 Chairperson. The Chairperson shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties that are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5.5 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary.

5.6 Treasurer. The treasurer of the Association ("Treasurer") shall have responsibility for Association funds and securities not otherwise held by the managing agent, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

5.7 Directors as Officers. Any Director may be an officer of the Association.

## ARTICLE 6

### OBLIGATIONS OF THE OWNERS

6.1 Assessments. All owners shall be obligated to pay assessments imposed by the Association to meet all the Condominium's common expenses, which shall include premiums for insurance required or permitted under Article 8 of these Bylaws. In the discretion of the Board of Directors, the assessments may be made payable semi-annually, quarterly or monthly. An annual assessment shall be charged beginning when the Declarant first conveys a Unit to a Unit owner. Prior to such time, the Declarant shall pay all operating expenses of the Condominium. All reserve accounts set up pursuant to these Bylaws shall be funded by allocation and payment from the assessment of Unit owners. The assessment of all Unit owners who may be benefitted by expenditure of reserve funds may be increased so the reserve fund in question can be maintained in an amount sufficient to meet the needs for which such fund was established.

Except as otherwise provided in the Declaration or these Bylaws, each Unit shall be liable for the common expense in the same percentage as the percentage of ownership in the common elements allocated to such Unit.

All assessments shall be deposited in a separate bank account in the name of the Association. All expenses of the Association shall be paid from the Association bank account.

Certain services provided through the Association, such as basic cable television service, may be billed on a per unit basis rather than on the basis of percentage ownership.

The assessment of Units shall include the following items, which shall be common expenses:

6.1.1 Expense Items:

- (a) Expenses of administration.
- (b) Expenses of maintenance, repair or replacement of the common elements.
- (c) Any deficit in common expenses for any prior period.
- (d) The costs of utilities for the common elements and other utilities that have a common meter or that are commonly billed, such as water and sewer.
- (e) At the discretion of the Board of Directors, the expense of basic cable or satellite television service to all Units, together with maintenance and repair expenses for such system and service.
- (f) The cost of insurance or bonds obtained in accordance with these Bylaws.
- (g) The cost of any professional management if required by mortgagees or desired by the Board of Directors.
- (h) Legal, accounting and other professional fees.
- (i) Any other items that are properly chargeable as an expense of the Association.

### 6.1.2 Reserve Items:

6.1.2.1 Reserve Account. A reserve account shall be established for the purpose of effecting replacements of structural elements, mechanical equipment and other Association property and the common elements of the Condominium which will normally require replacement in more than three (3) years and less than thirty (30) years, and for exterior painting if the common elements include exterior painted surfaces. The reserve study shall include (a) identification of all items for which reserves are to be established; (b) the estimated remaining useful life of each item as of the date of the reserve study; (c) an estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and (d) a 30-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule. The reserve account need not include those items that could reasonably be funded from operating assessments. Payment into this account shall be deemed a contribution to capital improvement as and when made. Pursuant to provisions of the Oregon Condominium Act, the Declarant has established a reserve account for replacement of such common elements. The Assessment under this section will accrue from the time of the conveyance of the first individual unit assessed. Declarant may elect to defer payment of the accrued assessment for a Unit until the time of conveyance of the Unit, but the accrued assessment shall not be deferred for longer than three (3) years from the date the Declaration is recorded. The books and records of the Association shall reflect the amount owing from the Declarant for all reserve assessments. The reserve account shall be funded by assessments against the same Units that are assessed for the maintenance of the items for which the reserve account is established. Accordingly, the reserve account for replacement of those general common elements and limited common elements, the maintenance of which is provided by assessment against all owners shall be created by assessment against all owners. The reserve account for replacement of those limited common elements, the maintenance of which is provided by assessment of fewer than all Units, shall be created by assessment only against the specific Units responsible for the maintenance of such limited common elements.

The reserve account shall be established in the name of the Association, which is responsible for administering the account and for making periodic payments into it. Except as otherwise provided in the Oregon Condominium Act, the reserve account shall be used only for maintenance, repair and replacement of the items for which reserves have been established and is to be kept separate from other funds.

6.1.2.2 Reserve Study. The Board of Directors of the Association annually shall conduct a reserve study, or review and update an existing study, of the common elements to determine the reserve account requirements. The reserve study shall include (a) identification of all items for which reserves are to be established; (b) the estimated remaining useful life of each item as of the date of the reserve study; (c) an estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and (d) a 30-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to

meet the maintenance, repair and replacement schedule. The amount of the payments to the reserve account shall be annually adjusted according to the reserve study.

6.1.2.3 General Operating Reserve. The Board of Directors shall create and maintain a general operating reserve account by allocation and payment thereto monthly of an amount determined by the Board of Directors. This account shall be used to pay expenses which exceed budgeted amounts. The initial working capital required under Section 6.2.1 shall be deposited into such operating reserve account.

6.1.2.4 Special Reserves. Such other special reserve funds as may be set up by the Directors by special assessments of the Unit owners who benefit thereby as may be required by the Declaration or otherwise determined by the Association to be appropriate, including a reserve fund for any lease payments.

6.1.2.5 Separate Accounts. Each account described above shall be established as a separate bank account, located within the State of Oregon, and in the name of the Association, maintained with a safe and responsible depository, shall be accounted for separately and, if invested, the obligation or security shall be fully guaranteed as to principal by the United States of America or one of its agencies. Assessments paid into the reserve accounts are the property of the Association and are not refundable to sellers of Units. Provided, however, that nothing contained herein shall prevent sellers of Units from treating their outstanding allocable share of reserve accounts as a separate or reimbursable item in a sales agreement. No Unit owner shall have any individual rights in any of these reserves, although it is understood that the value of their respective Units may increase in proportion to each Unit's right to receive repair, maintenance and replacement therefrom.

6.2 Initial Assessment. The amount of the initial assessment due from Unit owners other than the Declarant shall be determined by the Declarant. The amount of the annual assessment thereafter shall be subject to review and modification by the Board of Directors. Except as otherwise provided below, the assessment for all Units shall be payable from the date on which the Declaration is recorded.

6.2.1 Contribution to Reserve Account. At closing, each purchaser shall contribute to the Association a sum equal to one-sixth (1/6th) of the annual assessments, with respect to the Unit being purchased, as a one-time contribution to the Reserve Account of the Association. Within one hundred twenty (120) days after the first conveyance by the Declarant of the first Unit in the Condominiums, the Declarant shall make such contribution with respect to all Units in the Condominiums that have not yet been conveyed to a purchaser. If the Declarant has made such contribution, no further contribution shall be required to the Association, but each purchaser shall reimburse the Declarant at closing for the amount of the contribution made by the Declarant with respect to the Unit conveyed to the purchaser. If the amount of assessments is reduced pursuant to the authority granted to the Declarant herein, the initial deposit to the Association budget, equal to fifty percent (50%) of the annual assessment, shall be based on the

projected amount of such annual assessments after substantial or full occupancy of the Units rather than on the reduced amount. The Reserve Account contribution shall be allocated to the Reserve Account provided in Section 6.1.2.1 of these Bylaws. The Reserve Account contribution is in addition to regular assessments and shall not be used as a prepayment of assessments by any Owner. The Declarant may not use the Reserve Account contributions to defray any of its expenses, reserve contributions, or construction costs, or to make up any budget deficits while the Declarant is in control of the Association. All Reserve Account contributions shall be disbursed to the Association at or prior to the turnover meeting and shall be credited to the Reserve Account.

6.2.2 Procedures. If the Declarant or any other person pays all of the operating expenses of the Condominiums or subsidizes such expenses, the assessment shall be reduced by such amount, but shall not be reduced to a sum less than the total amount of the replacement reserve items. With respect to Units not yet conveyed by the Declarant, the Declarant may accrue the replacement reserve items. At the time of conveyance of the Unit for which the replacement reserve has been accrued, the accrued reserves must be paid to the Association.

The Declarant, or such other person paying all operating expenses or subsidizing such expenses, shall give sixty (60) days' written notice to individual Unit owners before their obligation to pay the full assessment begins. Thereafter, each owner, including the Declarant or such other person, shall pay the assessments to the Association. In the event that the Declarant has collected initial assessments from Unit purchasers at closing and thereafter elects to pay or subsidize the operating expenses, thereby causing the amount of the assessment to be reduced, the one-time initial contribution collected from Unit purchasers shall be held by the Declarant in a separate Association account. On the date on which Unit owners are required to pay full assessments, the aggregate sums held in such separate account shall be deposited to the Association's general account to be used as working capital.

6.2.3 Temporary Reduction of Assessment Amount. If the Association expenses are temporarily less than projected by the Declarant because some or most of the Units are not yet sold or occupied, the Declarant shall have the authority to reduce temporarily the amount of the assessment to reflect the lower expenses of the project.

6.3 Special Assessments. The Board of Directors shall have the power to levy special assessments against an owner or all owners for the following purposes and in the following manner:

- (a) To correct a deficit in the operating budget by vote of a majority of the Board;
- (b) To collect amounts due to the Association from an owner for breach of the owner's obligations under the Declaration, these Bylaws, or the Association's rules and regulations, by vote of a majority of the Board;

- (c) To make repairs or renovations to the common elements if sufficient funds are not available from the operating budget or replacement reserve accounts by vote of a majority of the Board; or
- (d) To make capital acquisitions, additions or improvements by vote of at least seventy five percent (75%) of all votes allocated to Units in the Condominium.

6.4 Payment of Assessments. Subject to the provisions of Sections 6.2 and 6.3, from the date on which the Declaration is recorded, the Declarant shall:

- (a) Pay assessments due for operating expenses on all unsold Units; and
- (b) Pay assessments due for reserves on all unsold Units, or, at the Declarant's option, defer payment of accrued assessments for reserves for a Unit until the earlier of: (i) the date of the turnover meeting provided for in these Bylaws, or (ii) if a turnover meeting is not held, the date the Owners assume administrative control of the Association. If the Declarant defers payment of accrued assessments for reserves until date of sale of the Unit to an Owner, the Declarant shall pay, or require the Unit Owner to pay, all accrued reserve assessments against the Unit at the time of the initial sale to the Unit Owner. Provided, however, such reserve accrual shall not be for a period longer than three (3) years after the Declaration is recorded.

6.5 Adoption of Budget: Determination of Fiscal Year: Filing of Income Tax Returns.

6.5.1 Adoption of Budget. At least sixty (60) days before the beginning of each fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the common elements and those parts of the Units as to which it is the responsibility of the Association to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be common expenses pursuant to the Oregon Condominium Act, the Condominiums instruments, or a resolution of the Association and that shall be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Condominiums and the rendering to the Unit owners of all related services.

Such budget also shall include such reasonable amounts as the Board of Directors considers necessary to provide working capital and such general operating reserve accounts, contingency and other reserve accounts as the Board shall determine. The amount designated for replacement reserves shall be adjusted annually to reflect current replacement cost and remaining useful life. Within 30 days from the date it adopts the annual budget for the Association, the

Board of Directors shall send to each Unit owner a copy of the budget in a reasonably itemized form which sets forth the amount of the common expenses and any special assessment payable by each Unit owner. Such budget shall constitute the basis for determining each Unit owner's assessment for the common expenses of the Condominiums.

6.5.2 Failure to Prepare Budget. The failure of the Board of Directors to prepare and/or to present, in a timely manner, a budget to the Unit owners shall not be cause for any owner to fail or refuse to pay assessments. Assessments shall continue, based upon the last adopted or accepted budget, until a new budget is created and announced. Retroactive increases and/or special assessments may be made by the Board of Directors to make up for any deficiency.

6.5.3 Failure to Adopt Budget. In the event the Board of Directors fails to adopt, in a timely manner, a budget for a new fiscal year, the last adopted budget shall continue in effect.

6.5.4 Determination of Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.

6.5.5 Filing of Income Tax Returns. The Board of Directors annually shall cause to be filed the necessary income tax returns for the Association, and shall, in its sole discretion, determine the manner in which all necessary income tax returns are filed and of selecting any and all persons to prepare such tax returns.

6.5.6 Preparation and Distribution of Annual Financial Statements. The Board of Directors shall annually prepare and distribute to Unit Owners the financial statement described in Section 4.3.2.2 of these Bylaws.

6.6 Default. The failure of an owner to pay any assessment of the Association shall be a default by such owner of his obligations pursuant to these Bylaws and the Oregon Condominium Act and, in addition to the Association's other remedies provided in the Declaration, these Bylaws shall entitle the Association to declare the balance of such owner's annual assessment otherwise being paid in installments to be immediately due and payable in full. Interest shall be charged on delinquent assessments at such rate as may be set by the Board of Directors from time to time not to exceed the lower of ten percent (10%) per annum or the highest rate permitted by applicable law. Before the imposition of or a change in the interest rate charged on delinquent assessments, the Board of Directors shall give thirty (30) days' written notice to all owners.

In addition, the Board may impose a late charge penalty on any assessment that is delinquent for thirty (30) or more days. Such penalty shall not exceed the sum of five percent (5%) of the delinquent assessment and shall be imposed only once on each regular or special assessment or installment of such assessments. The Board may also, after giving written notice to

a Unit Owner and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws and rules and regulations of the Association, provided that the charge imposed or fine levied by the Association is based: (i) on a schedule contained in the declaration or bylaws, or an amendment to either that is delivered to each Unit, mailed to the mailing address of each Unit or mailed to the mailing addresses designated in writing by the Owners; or (ii) on a resolution adopted by the Board of Directors or the Association that is delivered to each unit, mailed to the mailing address of each unit or mailed to the mailing address designated by the Owners in writing.

Pursuant to ORS 100.450, upon recording of the Declaration, when the Association levies an assessment against a Unit, the Association shall have a lien upon the individual Unit and the undivided interest in the common elements appertaining to such Unit for any unpaid assessments. The lien includes interest, late charges, attorney fees, costs or other amounts levied under the Declaration or these Bylaws. The lien is prior to a homestead exemption and all other liens or encumbrances upon the unit except tax and assessment liens and a first mortgage or trust deed of record. Before any suit to foreclose the said lien is commenced, the Association shall record a notice of claim of lien for assessments in the deed records in Multnomah County which shall contain: (i) a true statement of the amount due for the unpaid assessments after deducting all just credits and offsets; (ii) the name of the Owner of the Unit, or reputed Owner, if known; (iii) the name of the condominium and the designation of the Unit as stated in the Declaration or any applicable supplemental declaration; and (iv) a statement that if the Owner of the Unit thereafter fails to pay any assessments when due, as long as the original or any subsequent unpaid assessment remains unpaid, the unpaid amount of assessments automatically continue to accumulate with interest without the necessity of further recording. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting owner for the use of his Unit or shall be entitled to the appointment of a receiver pursuant to ORS 100.460. Liability for all assessments, fines, charges, interest, fees (including attorneys' fees, whether or not a suit or an action is commenced), and other sums owing by the Unit owner pursuant to the Declaration, these Bylaws, the Oregon Condominium Act and rules and regulations of the Association, shall be the personal obligation of the Unit owner and may be enforced by suit for a money judgment, in addition to all other remedies of the Association. Any default by the owner in any provisions of these Bylaws or of the Oregon Condominium Act shall be deemed to be a default by the owner of any mortgage to which the owner is a party or to which the Unit is subject.

#### 6.7 Maintenance and Repair.

6.7.1 Owner's Duty to Maintain. Every owner shall perform promptly all maintenance and repair work that is needed within his own Unit to prevent any negative effect on the common elements of the Condominium or a part thereof belonging to other owners, and every owner shall be responsible for the damages and liabilities that his failure to maintain and repair may cause, including, but not limited to, damage caused by failure of or damage to plumbing valves and pipes within the Unit, plugged toilets and bath drains, overloaded electrical



outlets, and clothes washer and dishwasher overflow.

6.7.2 Owner's Expenses. All repairs of internal installations of each Unit, such as water, lights, gas, power, sewage, telephones, air conditioners, heaters, and sanitary installations, doors, windows, lamps and all other accessories and appliances located or used in the Unit area, shall be at the sole expense of the owner of such Unit.

6.7.3 Reimbursement of Association. An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common elements and/or facility that was damaged by an event originating within an owner's Unit and that is not otherwise covered by insurance policies carried by the owner or the Association for the owner's and the Association's benefit. In such circumstances, the insurance obtained by the owner shall be deemed to be the primary coverage.

6.8 Right of Entry: Easement for Maintenance: Encroachments.

6.8.1 Association Right of Entry. In case of an emergency originating in or threatening his Unit, an owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association, whether the owner is present at the time or not.

6.8.2 Easement for Maintenance. An easement for the benefit of the Association is hereby reserved in and through all Units and the common elements providing access at reasonable times and with reasonable notice for purposes of maintenance, repair, and replacement of the common elements. If, in the process of such repair and maintenance by the Association, it is necessary to alter or damage any Unit or common elements, such alterations or damages shall be permitted without compensation, provided that the Unit and/or common elements are promptly restored to substantially their prior condition by the Association.

6.8.3 Encroachment. If any portion of the common elements encroaches upon a Unit, or a Unit encroaches upon any portion of the common elements, a valid easement for the encroachment and for the maintenance of the same, so long as the affected Unit or common element stands, shall and does exist. In the event that the affected Unit or common element or either is partially or totally destroyed and then rebuilt, the owners of the Units agree that minor encroachment of parts of the common elements due to such rebuilding shall be allowed and an easement shall exist for such purpose.

6.9 Institution of Litigation/Administrative Proceedings Against Third Parties. In the event the Association institutes litigation or administrative proceedings to recover damages on any matter relating to or affecting the units or interests of unit owners, which matter is (a) a result of a nuisance or a defect in or damage to a common element, or (b) required to facilitate repair to any common element, at least thirty (30) days prior to instituting such litigation or administrative proceedings,

the Association shall provide written notice to each affected owner of the association's intent to seek damages on behalf of the owner. The notice shall at a minimum:

- (a) Inform each owner of the general nature of the litigation or proceeding;
- (b) Describe the specific nature of the damages to be sought on the owner's behalf;
- (c) Set forth the terms under which the Association is willing to seek damages on the owner's behalf, including any mechanism proposed for the determination and distribution of any damages recovered;
- (d) Inform each owner of the owner's right not to have the damages sought on the owner's behalf and specify the procedure for exercising the right; and
- (e) Inform the owner that exercising the owner's right not to have damages sought on the owner's behalf relieves the association of its duty to reimburse or indemnify the owner for damages, does not relieve the owner from the owner's obligation to pay dues or assessments relating to the litigation or proceeding; does not impair any easement owned or possessed by the Association; and does not interfere with the Association's right to make repairs to common elements.

Within twenty (20) days of the date of mailing of the notice described in this Section, any owner may request in writing that the association not seek damages on the Owner's behalf. If an owner makes such a request, the Association shall not make or continue any claim or action for damages with regard to the objecting owner's unit or interest and shall be relieved of any duty to reimburse or indemnify the owner for damages under the litigation or proceeding.

6.10 Owner/Association Dispute Resolution. Except for circumstances in which irreparable harm to a party will occur due to delay or to litigation or an administrative proceeding initiated to collect assessments, other than assessments attributable to fines, before instituting any litigation or administrative proceeding in which the Association and an Owner have an adversarial relationship, the party that intends to initiate litigation or an administrative proceeding shall offer to use any dispute resolution program available in Multnomah County that is in substantial compliance with the standards and guidelines adopted under ORS 36.175 and any other relevant statute. The written offer must be hand-delivered or mailed by certified mail, return receipt requested, to the address contained in the records of the Association for the other party. If the party receiving the offer does not accept the offer within ten (10) days after receipt of such notice, the initiating party may commence the litigation or administrative proceeding. Notice of acceptance of the offer to participate in the program must contain the name, address and telephone number of the body administering the dispute resolution program. If a qualified program exists within Multnomah County and the required offer to use the program is not made,

litigation or an administrative proceeding may be stayed for thirty (30) days upon a motion of the noninitiating party. If the litigation or administrative action is stayed, both parties shall participate in the dispute resolution process. Unless a stay has been granted as provided above, if the dispute resolution process is not completed within thirty (30) days after receipt of the initial offer, the initiating party may commence litigation or an administrative proceeding without regard to whether the dispute resolution is completed.

6.11 Common Profits. Common profits of the Condominiums, if any, shall be distributed among the Unit owners according to the allocation of undivided interest of each Unit in the common elements.

## ARTICLE 7

### USE AND OCCUPANCY RESTRICTIONS: RULES OF CONDUCT

The failure of an owner and/or his or her family, invitees or tenants, to comply with the rules of conduct and restrictions set forth herein, in the Declaration, or as otherwise adopted by the Board of Directors, shall be cause for which the Board of Directors may deny or restrict such owner's right to use any common element facility with respect to which such owner otherwise had a right of use and may suspend such member's voting rights for so long as the failure to comply remains uncured.

7.1 Use as Private Dwelling Only. Each of the Units shall be occupied as a single-family private dwelling by its owner or his tenants, visitors, and guests, and for no other purpose. Subject to compliance with applicable local ordinances and other restrictions of record, an owner may use his Unit as a "home office," provided that clients, customers, vendors and employees do not regularly visit the "home office." All common elements shall be used in a manner conducive to such purpose. No Unit owner shall be permitted to lease his Unit for a period of fewer than thirty (30) days. No Unit owner may lease less than the entire Unit. Any agreement to lease a Unit shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and the Bylaws and that any failure by the tenant to comply with the terms of such documents shall be a default under the lease. Leasing of units shall be governed by Section 7.12 of these Bylaws.

7.2 Restriction on Alteration to Unit. No owner shall make structural alterations or installations in his Unit without previously notifying the Association in writing by certified mail to the management agent, if any, or to the Chairperson of the Board of Directors, if no management agent is employed. The Association shall answer within thirty (30) days of receipt of such notice, and failure to do so within the stipulated time shall mean that it does not object to the proposed alteration or installation. Provided, however, that nothing herein contained shall waive or limit an owner's obligation to comply with the provisions of ORS 100.535.

7.3 Use of the Common Elements. No owner shall place or cause to be placed in the lobbies, vestibules or stairways or on the patios, decks, ramps, or other common elements of the Condominiums of a similar nature, any furniture, packages or objects of any kind, except that suitable furniture may be placed on the decks and patios without the prior written consent of the Board of Directors. Such areas shall not be used for any purpose that is not appropriate, customary and acceptable to the Board of Directors. No Owner may alter, change or construct any improvements on or to the exterior of buildings or any other portion of the Common Elements.

7.4 Pets. No pets except dogs, cats, birds and other common domesticated pets shall be permitted on the Condominiums property and no more than a total of two (2) pets shall be permitted to be maintained by the owner(s) of a Unit. Any Unit owner who maintains any pet upon any portion of the Condominiums shall be deemed to have indemnified and agreed to hold the Association, each of its members, and the Declarant, free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominiums. All pets shall be registered with the Board of Directors and shall be registered and inoculated as required by law. Further, each owner shall abide by all relevant provisions of City of Portland and Multnomah County ordinances, leash laws, and rules or regulations of the Association adopted by the Board of Directors. The Board of Directors shall have the power to require any owner or occupant whose pet is a nuisance, to remove such pet from the Condominiums and the Unit of the owner.

7.5 Appearance of Condominium Building(s). No Unit owner shall cause anything to be hung, displayed, or placed on the walls, railings, doors, windows, walkways, patios, fences, ceilings of walkways or roof of the Condominiums building(s) or any other common element or otherwise change the appearance of any portion of the common elements without the prior written consent of the Board of Directors. Each Unit owner shall provide draperies, mini-blinds or other window coverings at all windows. No clothes lines or similar devices and no "For Sale" or "For Rent" signs shall be allowed on any part of the Condominiums property without the prior written consent of the Board of Directors, except that the Declarant may post reasonable signs advertising any Unit for sale or rent in reasonable places on the Condominiums property.

7.6 Nuisances. No nuisances or any use or practice that is the source of annoyance to residents or that interferes with the peaceful possession and proper use of the property by its residents shall be allowed upon the Condominiums property. Residents shall exercise extreme care about creating disturbances, making noises or using musical instruments, radios, televisions and amplifiers that may disturb other residents. All parts of the Condominiums shall be kept in a clean and sanitary condition; no rubbish, refuse or garbage shall be allowed to accumulate; and no fire or environmental hazard shall be allowed to exist. All garbage and trash shall be placed inside disposal containers. No Unit owner shall make or permit any use of his Unit or make any use of the common elements that would increase the cost of insurance upon the Condominiums property.

No owner shall hang garments, towels, rugs or similar items from any window, facade, deck, patio, fence, railing, balcony or terrace of the Condominiums or hang or shake dust rags, mops or similar items from any window, porch, terrace or patio, or clean such items by beating them on an exterior part of the Condominiums.

**7.7 Improper, Offensive or Unlawful Use.** No improper, offensive or unlawful use shall be made of the Condominiums property or any part of it; all valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction shall be observed. The responsibility for meeting the requirements of governmental bodies for maintenance, modification or repair of the Condominiums property shall be carried out and paid for in the same manner as the responsibility for the maintenance and repair of the property concerned.

**7.8 Restriction on Exterior Installations.** No owner, resident or tenant shall install wiring for electrical or telephone installation, exterior antennae, satellite dishes in excess of one meter in diameter, machines or air conditioning units or similar devices on the exterior of the Condominiums building(s) or cause them to protrude through the walls or the roof of the Condominiums except as authorized by the Board of Directors. No window guards, awnings or shades shall be installed without the prior consent of the Board of Directors.

**7.9 Parking.** The parking areas designated as general common elements in the Declaration, including without limitation private roads, are intended for the parking of automobiles of invitees and guests only and may not be used for parking of vehicles owned by or registered to an owner, tenant, or member of an owner's or tenant's household. The Directors may make such rules as may be necessary to govern the use of any general or any limited common element parking areas by which all owners and other users shall be bound, including a fine schedule for violation of these Bylaws, the Declaration or any rules and regulations promulgated thereunder which shall be adopted by resolution of the Board of Directors. Provided, however, that no such rule shall prohibit, restrict, or change a parking assignment without the written consent of the owner of the Unit to which such assignment or right pertains.

**7.10 Vehicle Restrictions.** The speed of vehicular traffic on the parking areas and driveways on Condominiums property shall be limited to five (5) miles per hour as a safety precaution. This speed limit shall apply to bicycles, motor scooters, motorcycles, automobiles and trucks. No recreational vehicles, campers, trailers, boats, boat trailers, commercial vehicles, vehicles in disrepair or similar things may be parked or kept on Condominiums property, except that such recreation equipment may be kept in a garage unit, if it is fully enclosed and the garage unit door is kept closed, except when the recreation equipment is being removed or returned to the garage.

**7.11 Use of Recreational and Common Facilities.** Recreational buildings and facilities and play areas, all other general common elements, including any common garden and common patio or storage areas, are provided for the use of the owners and their guests. Rules and regulations setting forth the hours the various facilities shall be available for use and the

conditions attendant thereto shall be posted. Use of recreational and common facilities shall be conditioned upon compliance with such rules and regulations.

7.12 Leasing/Renting Units. Subject to approval by the Board of Directors, a Unit owner may rent or lease his entire Unit for a period of not less than thirty (30) days, provided that the occupancy is only by the lessee, his visitors and guests. No rooms may be rented and no transient tenants may be accommodated. Before entering into any such agreements, a Unit owner shall notify the Board of Directors of his intent, the name and address of the proposed tenant, and the circumstances of proposed arrangement. If the Board of Directors finds that such proposed tenancy shall not be detrimental to the Association, the well-being of the Condominiums, or the enjoyment by other Unit owners of their Units and the common elements, it shall approve such tenancy. All tenants shall always be subject to the Declaration, any Supplemental Declaration, Bylaws, rules and regulations of the Association and the Board of Directors. At any time during the tenancy, the Board of Directors may cause the Unit owner to terminate the tenancy and evict tenants for violations of the Declaration, any Supplemental Declaration, or the rules and regulations of the Association. All such leases shall be in writing.

7.13 Additional Rules. Rules and regulations concerning other use of the Condominium property, including a schedule of fines for violation thereof, may be made and amended from time to time by the Association or the Board of Directors. Copies of such rules and regulations shall be furnished to all Unit owners and residents of the Condominiums upon request.

7.14 Covenants, Conditions, Restrictions and Easements in Other Documents. In addition to the provisions of the Declaration, any Supplemental Declaration, the Articles of Incorporation, the Bylaws and any rules or regulations promulgated thereunder, each owner of a Unit in the Condominiums is subject to covenants, conditions, restrictions, easements and assessments as set forth in the following instruments:

Any and all recorded surveys, plats or site plans of the Condominiums.

## ARTICLE 8

### INSURANCE

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

8.1 Types of Insurance Policies. For the benefit of the Association and the owners, the Board of Directors shall obtain and maintain at all times insurance as required by ORS 100.425

and any succeeding statute, and shall pay the premiums for such insurance out of the common expense funds. With respect to the insurance requirements above stated, the Association shall obtain additional coverages listed below to the extent that they are available at reasonable cost:

8.1.1 Property Insurance. A policy or policies of property insurance, including, but not limited to, fire, extended coverage, vandalism and malicious mischief, for the full insurable replacement value, if available, of all Units and common elements, 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 policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees, if any, of each Unit. For the purposes of any policy or policies of fire insurance, the term "building" shall include fixtures, installations or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Condominiums Units initially installed or replacement thereof, in accordance with the original Condominiums plans and specifications, or installed by or at the expense of any Unit owner or owners.

8.1.2 Liability Insurance. A policy or policies insuring the Association, its Board of Directors, the Unit owners individually, and the manager against any liability to the public or the owners of Units and their invitees or tenants, incident to the ownership, supervision, control or use of the project. Limits of liability under such insurance shall be not less than One Million Dollars (\$1,000,000.00) per occurrence for bodily injuries and property damage. Such limit and coverage shall be reviewed at least annually by the Board of Directors which, in its discretion, may increase either. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsements wherein the rights of a named insured under the policy or policies shall not be prejudiced with respect to his action against another named insured.

8.1.3 Worker's Compensation. Worker's compensation insurance to the extent necessary to comply with any applicable laws.

8.1.4 Fidelity Bond. A fidelity bond naming such persons as may be designated by the Board of Directors as principals and the Association and the owners as obligees, for the amount determined by the Board of Directors. Provided, however, that the Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds obtain adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

The Association shall not be responsible for any loss or damage to personal property of any owner, whether stored on the common elements or in the owner's Unit; nor shall the Association maintain any insurance coverage for such loss.

8.2 Insurance Companies Authorized. All policies shall be written by a company licensed to do business in Oregon and holding a "Commissioner's rating" of "A+" and a size rating of "AAA," or better, by Best's Insurance Reports, or as may be otherwise acceptable to all mortgagees and directors.

8.3 Authority to Adjust Losses. All losses under policies hereafter in force regarding the property shall be settled exclusively with the Board of Directors or its authorized representative; provided, however, that where a first mortgagee has been designated as a loss payee by a Unit owner and such first mortgagee has requested the opportunity to exercise the rights provided by this Article 8, such mortgagee shall be entitled to settle losses as to the mortgaged Unit, provided that the loss which occurs is severable. Releases and proofs of loss shall be executed by at least two directors.

8.4 Value of Owner Improvements. Each owner must inform the Board of Directors of the value of improvements made to his Unit in excess of Ten Thousand Dollars (\$10,000.00) so that the Board of Directors may make any desired adjustments in insurance coverage. Nothing in this paragraph shall permit an owner to make improvements without first obtaining the approval of the Board of Directors pursuant to Article 7.

8.5 Provisions in Insurance Policies. The Board of Directors shall make every effort to secure insurance policies that provide for the following:

8.5.1 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, agents and guests.

8.5.2 A provision that the master policy on the Condominiums cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual owners.

8.5.3 A provision that the master policy on the Condominiums cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors or the manager without prior demand in writing that the Board of Directors or manager cure the defect.

8.5.4 A provision that any "no other insurance" clause in the master policy exclude individual owners' policies and not otherwise prevent such individual policies from providing coverage for damage to Units or common elements.

8.6 Reconstruction Costs. If the Association is required or elects to reconstruct any common element or Unit that has been damaged or destroyed, an affected Unit owner (i.e., the owner whose Unit or limited common element has been damaged or destroyed) shall contribute to the Association all amounts received by such owner from property loss insurance policies to help pay for the repairs. To the extent that such insurance proceeds are unavailable or unpaid



when needed, the Association shall assess such owner the amount of the Association's "deductible" under its policy to pay the cost of repairing or reconstructing such owner's Unit or limited common elements. Such assessment shall be both a personal obligation of such owner and a lien against such owner's Unit in the same manner as any other Association assessment.

**8.7 Insurance Deductible/Owner and Tenant Insurance.** The Board of Directors shall determine the amount of the deductible for property loss insurance policies, as well as other insurance policies required to be procured by the Association under this Article 8. In determining the deductible under the policies, the Board shall take into consideration, among other factors, the availability, cost, and loss experience of the Association. In this regard, as in other Board responsibilities, the Board members shall exercise their reasonable business judgment.

The Association shall have no responsibility to procure or assist in procuring property loss insurance for any owner or tenant for: (a) damage to a Unit or limited common elements not covered by the Association's policy (because of the deductible amount or because the claim for loss or damage is one not normally covered by fire and property loss insurance policies with extended coverage endorsements); or (b) for any damage or loss to the owner's or tenant's personal property. Owners shall be responsible for purchasing insurance policies insuring their units and appurtenant limited common elements for the deductible amount under the Association's policies and for insuring their own personal property for any loss or damage. Proof of such insurance coverage shall be provided to the Association's Secretary by the Unit owner. Tenants shall be responsible for insuring their own personal property for any loss or damage. The Board of Directors shall notify all owners of the amount of the deductible under the Association policies. To the extent reasonably practicable, the Board of Directors shall give at least thirty (30) days' notice to the owners of any increase in the deductible proposed in renewal or replacement insurance policies. Owners and tenants of all Units shall procure and maintain comprehensive liability policies having combined limits of not less than One Hundred Thousand Dollars (\$100,000.00) for each occurrence. Such insurance shall provide coverage for, without limitation, the negligent acts of the owner(s) and tenant(s) and their guests or other occupants of the Unit(s) for damage to the general and limited common elements and other Units and the personal property of others located therein.

**8.8 Review of Insurance Policies.** At least annually, the Board of Directors shall review all insurance carried by the Association, which review shall include a consultation with a representative of the insurance carrier writing the master policy.

**8.9 Duplicate Insurance Coverage.** In the event of duplicate insurance coverage, the insurance policy obtained by the owners shall be deemed to be the primary coverage.

**8.10 Insurance Coverage Assignment of Obligations.** In accordance with Section 8.2 of the Declaration, the Board of Directors may, from time to time but effective not earlier than six (6) months from the date of adoption, adopt by resolution a policy setting forth the respective insurance obligations of the Owners of Units and the Association. Such policy shall be binding upon the Owners of Units from the effective date thereof, and all Owners shall be responsible for

assuring that their insurance coverage is in conformity with such adopted policy then in effect.

## ARTICLE 9

### DAMAGE AND DESTRUCTION

9.1 Insurance Proceeds Sufficient to Cover Loss. In case of fire, casualty or any other damage and destruction, the insurance proceeds of the master policy, if sufficient to reconstruct the buildings damaged or destroyed, shall be applied to such reconstruction.

9.2 Insurance Proceeds Insufficient to Cover Loss. 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 all the Unit owners shall be liable for assessment for any deficiency for such reconstruction, such deficiency to take into consideration as the owner's contribution any individual policy insurance proceeds provided by such owner. Provided, however, that if fifty-six percent (56%) or more in value of all the buildings is destroyed or substantially damaged, and if the owners of at least fifty-six percent (56%) of the Units so vote, and upon written approval of holders of first mortgages that represent at least fifty-six percent (56%) of the votes of mortgaged Units in the Condominiums, 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:

9.2.1 The Condominiums property shall be deemed to be owned in common by the owners.

9.2.2 The respective interest of each Unit owner in the property shall be determined by the provisions of ORS 100.610 that are in effect on the date the Condominiums Declaration is recorded.

9.2.3 Any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interests of the owners in the project.

9.2.4 The Condominiums shall be subject to an action for partition at the suit of any owner. If a decree of partition orders the sale of the Condominium property, the net proceeds of sale, together with the net proceeds of the policies of insurance on the Condominiums, if any, shall be considered as one fund and shall be divided among all of the owners in proportion to their respective undivided interests, after first paying, out of the respective shares of the owners, to the extent such share is sufficient for the purpose, all liens on the undivided interest in the project owned by each owner.

9.3 Architectural Changes After Damage or Destruction. Reconstruction of damaged or

destroyed buildings as used in this Article means restoring the buildings to substantially the same condition in which they existed prior to the fire, casualty or disaster and shall be performed substantially in accordance with the Declaration and the original plans and specifications unless other action is approved in writing by holders of first mortgages that represent at least fifty-six percent (56%) of the votes of mortgaged Units in the Condominiums. Such reconstruction shall be accomplished under the direction of the manager or the Board of Directors. Notwithstanding all other provisions hereof, the owners may, by an affirmative vote of sufficient owners, amend these Bylaws, cause an amendment to be made to the Condominiums 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 Condominiums, or any buildings thereof, by fire, casualty or any other disaster is so great as to require the substantial reconstruction of the whole of the Condominiums, or said buildings, and upon written approval by holders of first mortgages that represent at least seventy-five percent (75%) of the votes of mortgaged Units in the Condominiums. Provided, however, that any such amendment of such Condominiums documents shall be valid only upon (1) compliance with all applicable provisions of the Oregon Condominium Act; (2) approval by the Oregon Real Estate Commissioner; (3) recording thereof with the recording officer of Multnomah County; and (4) 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.

9.4 Reallocation of Percentage Interest. In the event of a partial destruction of the Condominiums buildings or Units therein, the Unit owners may not reallocate percentages of interest in the common elements without the prior approval of the Mortgagees of all the remaining Units, whether existing in whole or in part. Any such reallocation shall also comply with the Oregon Condominium Act and other provisions of the Declaration, any applicable Supplemental Condominiums Declaration and the Bylaws.

## ARTICLE 10

### CONDEMNATION

The Board of Directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain and to sue or defend in any litigation involving such bodies or persons with respect to the common elements of the Condominiums and shall assist any Unit owner whose Unit or a part thereof, is the subject of any condemnation or eminent domain proceeding. Provided, however, that nothing in this or any document or agreement relating to the Condominiums shall be construed to give a Unit owner or any party priority over the rights of the first mortgagees of any Condominiums Units in the case of a distribution to the Unit owner of any such condemnation awards for losses to or a taking of a Unit and/or the common elements. In the event of a taking or acquisition of part or all of the common elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any trustee, for the use and benefit of the Unit owners and their mortgage holders as their interest may appear. The Board of Directors shall distribute the

proceeds of any such award or settlement on a reasonable and equitable basis among the Unit owners.

## ARTICLE 11

### AMENDMENTS TO BYLAWS

These Bylaws may be amended by the owners holding a majority of the total voting rights allocated to the Units in a duly constituted meeting or ballot meeting called for such purpose, and no amendment shall take effect unless approved by owners holding a majority of the voting rights as otherwise set forth in the Declaration and any Supplemental Condominium Declaration. Any amendments adopted hereunder shall be reduced to writing and certified by the Chairperson and Secretary of the Association to be the amendment so adopted by the Association. Such amendment so certified shall be recorded in the Deed Records of Multnomah County, Oregon. Provided, however, that no amendment of these Bylaws reducing or eliminating the right of any first mortgagee shall be made without the prior written consent of such first mortgagees. Provided, further, that no amendment of these Bylaws may be made without the consent of the Declarant so long as the Declarant owns any Unit in the Condominiums, but no such consent shall be required after conveyance to owners other than the Declarant of seventy-five percent (75%) of the Units or three (3) years after the first conveyance of a Unit in the Condominiums, whichever is earlier. Provided, however, that even thereafter, no amendment may limit the Declarant's special rights, whether reserved in the Declaration, these Bylaws, or as otherwise provided by law. **IF REQUIRED BY LAW, ANY AMENDMENTS TO THESE BYLAWS MADE WITHIN FIVE (5) YEARS OF THE RECORDING DATE HEREOF MUST BE APPROVED BY THE OREGON REAL ESTATE COMMISSIONER PRIOR TO RECORDING.**

## ARTICLE 12

### RECORDS AND AUDITS

12.1 General Records. The Board of Directors and the managing agent or manager, if any, shall maintain in the State of Oregon detailed records of the actions of the Board of Directors and the managing agent or manager, minutes of the meetings of the Board of Directors and minutes of the meetings of the Association. The Board of Directors shall maintain a list of owners entitled to vote at meetings of the Association and a list of all mortgagees of Units insofar as such names have been provided to the Board by the owner or mortgagee. All records of the Association shall be maintained for not less than the period specified for the retention of corporate records in ORS 65.771 or any other applicable law, except that the Association shall maintain all proxies and ballots for a period of one year from the date of determination of the vote, and the Association shall maintain as permanent records: (i) the as-built architectural, structural, engineering mechanical, electrical and plumbing plans for the Property; (ii) the original

specifications indicating thereon all material changes; (iii) the plans for underground site service, site grading, drainage and landscaping together with cable television drawings; and (iv) any other plans and information relevant to future repair or maintenance of the Property

12.2 Records of Receipts and Expenditures. The Board of Directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common elements, itemizing the maintenance and repair expenses of the common elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the Unit owners and mortgagees during convenient weekday hours.

12.3 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

12.4 Payment of Common Expenses. The Board of Directors shall authorize the Treasurer, the management agent, or another specified party, to pay all legitimate expenses of the Association. Such payments shall be made pursuant to the payment system instituted by the Board of Directors as described in Section 4.3.6 of these Bylaws.

12.5 Reports and Audits. The Board of Directors shall prepare or cause to be prepared an annual report of the receipts and expenditures of the Association and a balance sheet and income and expense statement setting forth the financial condition of the Association as of the end of each year. The report shall be prepared according to generally accepted accounting procedures and shall be distributed to all Unit owners within one hundred twenty (120) days after the end of each fiscal year. At any time and at his own expense, any owner or mortgagee may cause an audit or inspection to be made of the books and records of the Association.

12.6 Notice of Sale, Mortgage, Rental or Lease. Immediately upon the sale, mortgage, rental or lease of any Unit, the Unit owner shall promptly inform the Secretary or manager of the name and address of such vendee, mortgagee, lessee, or tenant. This obligation is in addition to those set forth in Section 7.11.

12.7 Annual Report. The Board of Directors shall cause an Annual Report, including any amendments, to be filed with the Oregon Real Estate Agency, pursuant to the provisions of ORS 100.250 and ORS 100.260.

## ARTICLE 13

### COMPLIANCE

These Bylaws are intended to comply with the provisions of the Oregon Condominium Act, which are incorporated herein and to supplement the provisions of the Condominium Declaration. If any of the provisions hereof conflict with the provisions of said statutes, the statutory provisions shall apply. If any of the provisions hereof conflict with the provisions of the Declaration, the provisions of the Declaration shall apply.

## ARTICLE 14

### INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

The Association shall indemnify any Director and officer, and any employee or agent (except relating to claims that such employee or agent was acting in a manner contrary to licensing requirements established by the State of Oregon from time to time for which said employee or agent shall be wholly responsible) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the act that he is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe that his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe that his conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit or proceeding as and when incurred, subject only to the right of the Association to be reimbursed, should it be proven at a later time that said person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a Director, officer, employee or agent shall have a right of contribution over and against all other Directors, officers, employees or agents and members of the Association who participated with or benefitted from the acts which created said liability.

## ARTICLE 15

### ASSESSMENT AND FINE COLLECTION COSTS: ENFORCEMENTS SUITS AND ACTIONS

Whether or not suit or action is commenced, Unit owners shall be obliged to pay reasonable fees and costs including, but not limited to, attorney's fees (whether or not suit or action is commenced) incurred in connection with efforts to collect delinquent and unpaid assessments, fines and enforcement of the Declaration, Bylaws or rules and regulations of the Association. In addition to the assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines and interest imposed pursuant to Section 6.6 of these Bylaws, ORS 100.405(4)(i)(j)(k), and any other relevant statutes.

In the event suit or action is commenced by the Directors for the collection of any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the Bylaws or of the Oregon Condominium Act, the owner or owners, jointly and severally, will in addition to all other obligations, pay the costs of such suit or action, including reasonable attorneys' fees to be fixed by the trial court and, in the event of an appeal or review, the cost of the appeal or review, together with reasonable attorneys' fees in the appellate or reviewing court to be fixed by such court.

## ARTICLE 16

### MISCELLANEOUS

16.1 Notices. All notices to the Association or to the Board of Directors shall be sent care of the managing agent, or if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. All notices to any Unit owner shall be sent to such address as may have been designated by him from time to time, in writing, to the Board of Directors, or if no address has been designated, then to the owner's Unit.

16.2 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

16.3 Invalidity: Number: Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.