

LEGEND

- G.C.E. - GENERAL COMMON ELEMENT
- L.C.E. - LIMITED COMMON ELEMENT
- SA - SUNKEN AREA
- TP - TYPICAL
- CLR - CLEAR
- FF - FINISHED FLOOR ELEVATION
- UH - UNIT HEIGHT
- 107 INDICATES 1 STORY UNIT
- 219 INDICATES 2 STORY UNIT

NOTES

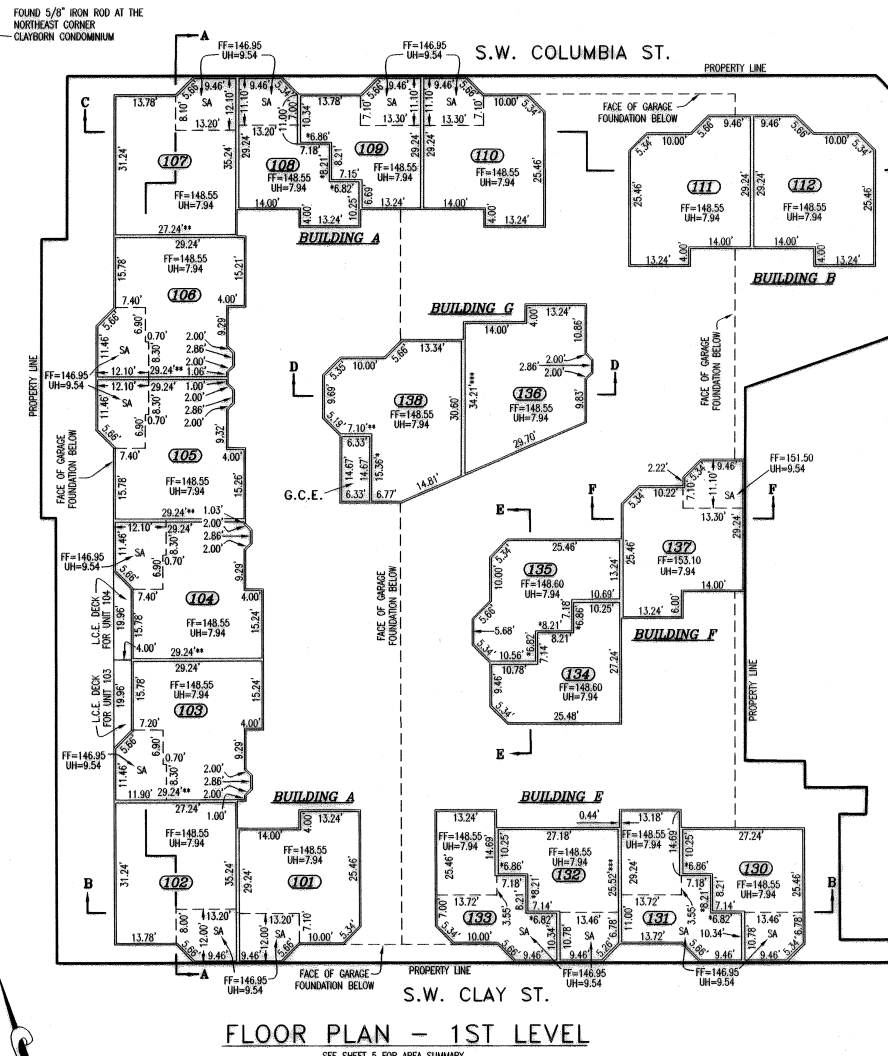
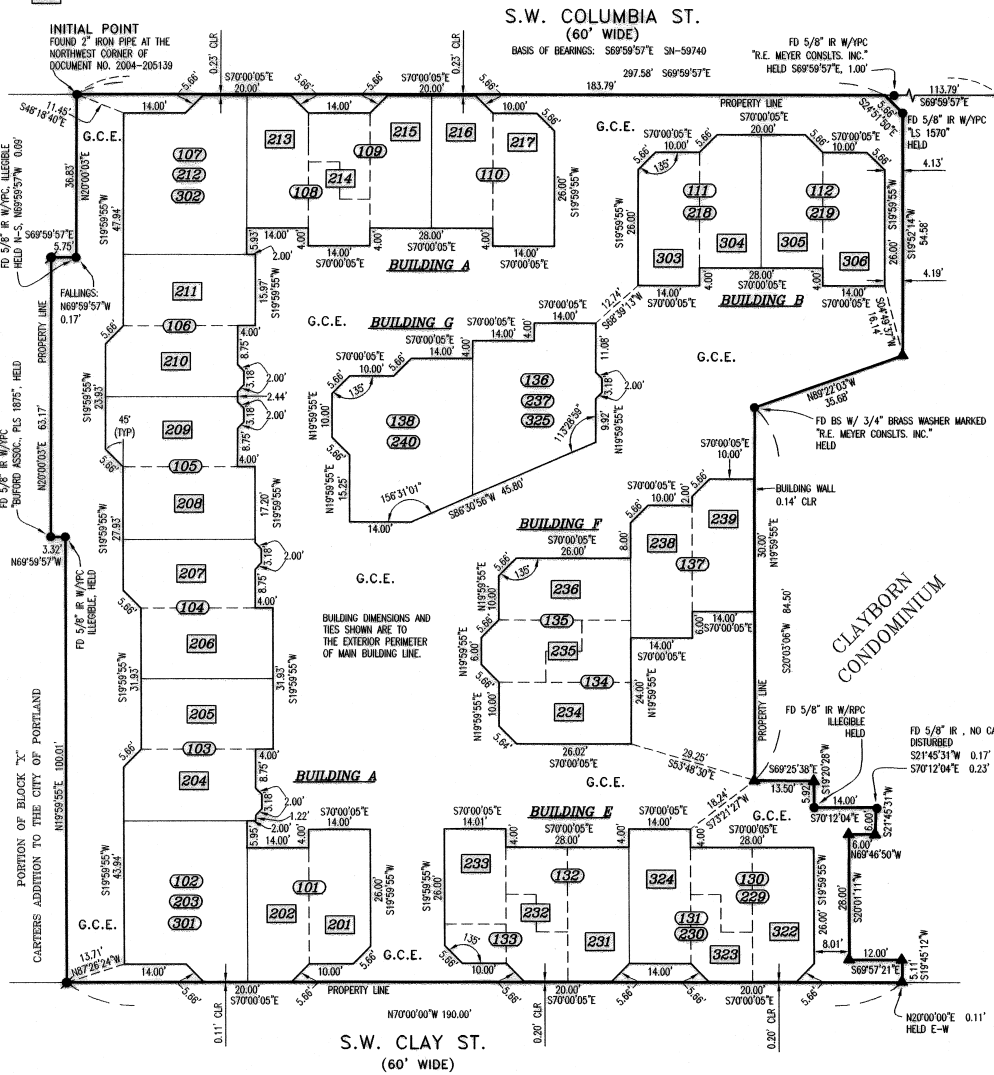
1. ALL BUILDING CORNERS ARE PERPENDICULAR UNLESS NOTED OTHERWISE.
2. BOUNDARY INFORMATION AND BASIS OF BEARINGS ARE PER SN-59740, MULTNOMAH COUNTY SURVEY RECORDS.
3. ELEVATIONS ARE BASED ON CITY OF PORTLAND BENCHMARK NO. 260, A 2 1/2" BRASS DISK IN CURB AT N.E. CORNER OF SW 17TH AVE AND COLUMBIA ST. ELEVATION: 110.535 FEET, CITY OF PORTLAND DATUM.

INDEX

- SHEET 1 - FOUNDATION PLAN, FIRST FLOOR PLAN
- SHEET 2 - SECOND FLOOR PLAN, THIRD FLOOR PLAN
- SHEET 3 - FOURTH FLOOR PLAN, PARKING PLAN
- SHEET 4 - CROSS SECTIONS
- SHEET 5 - AREA SUMMARY, CERTIFICATE, NARRATIVE, DECLARATION, ACKNOWLEDGEMENT, APPROVALS

THAT TRACT OF LAND DESCRIBED IN DOCUMENT NO. 2004-205139, MULTNOMAH COUNTY DEED RECORDS, BEING A PORTION OF BLOCK "X", CARTERS ADDITION TO THE CITY OF PORTLAND, SITUATED IN THE NE 1/4 OF SECTION 4, T1S, R1E, W.M. IN THE CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

SURVEYED JANUARY 12TH, 2005
 JOB NO. 04-367 P:\04-367\04-67PLT.DWG



FLOOR PLAN - 1ST LEVEL

SEE SHEET 5 FOR AREA SUMMARY.

MONUMENT LEGEND

- - FOUND 5/8" IRON ROD WITH YELLOW PLASTIC CAP MARKED "W.B. WELLS & ASSOC., INC." PER SN-59740
- - MONUMENT FOUND AND HELD PER SN-59740 UNLESS NOTED OTHERWISE
- ▲ - FD 5/8" IR W/PC "R.E. MEYER CONSULTS, INC."
- FD - FOUND
- IR - IRON ROD
- W/PC - WITH YELLOW PLASTIC CAP MARKED
- W/RPC - WITH RED PLASTIC CAP MARKED

GRAPHIC SCALE



(IN FEET)
 1 inch = 20 ft.

REGISTERED PROFESSIONAL LAND SURVEYOR

Randy L. Rohner

OREGON
 JULY 13, 1984
 RANDY L. ROHNER
 #2107
 EXPIRES 12-31-06

I, RANDY L. ROHNER, STATE THAT THIS PLAT OR SURVEY WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51645A ON OCE # 868342 POLYESTER FILM.

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



W.B. WELLS and associates, inc.
 ENGINEERS SURVEYORS PLANNERS
 4230 NE FREMONT STREET
 PORTLAND, OREGON 97213
 PHONE: (503) 284-8886 FAX: (503) 284-8830
 e-mail address: info@wbwells.com

LEGEND

- G.C.E. - GENERAL COMMON ELEMENT
- L.C.E. - LIMITED COMMON ELEMENT
- FF - FINISHED FLOOR ELEVATION
- TYP - TYPICAL
- UH - UNIT HEIGHT
- 107 INDICATES 1 STORY UNIT
- 219 INDICATES 2 STORY UNIT

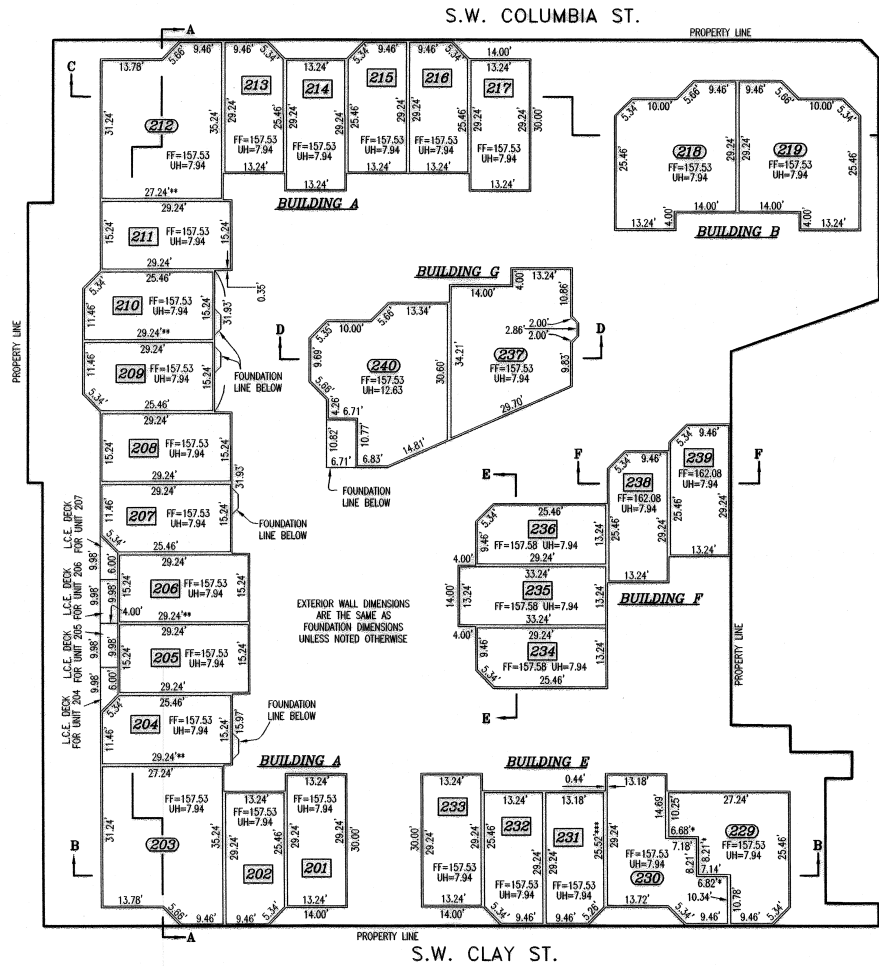
NOTES

1. ALL BUILDING CORNERS ARE PERPENDICULAR UNLESS NOTED OTHERWISE.
2. BOUNDARY INFORMATION AND BASIS OF BEARINGS ARE PER S.W. 50746, MULTNOMAH COUNTY SURVEY RECORDS.
3. ELEVATIONS ARE BASED ON CITY OF PORTLAND BENCHMARK NO. 260, A 2 1/2" BRASS DISK IN CURB AT N.E. CORNER OF SW 17TH AVE AND COLUMBIA ST. ELEVATION: 110.535 FEET, CITY OF PORTLAND DATUM.
4. EXTERIOR WALLS ARE 0.38" THICK. WALLS BETWEEN UNITS ARE 0.76" EXCEPT: WALLS MARKED WITH * ARE 0.41" THICK. WALLS MARKED WITH ** ARE 0.69" THICK. WALLS MARKED WITH *** ARE 0.88" THICK OR AS NOTED.
5. DECKS ARE LIMITED COMMON ELEMENTS. LIMITED COMMON ELEMENTS ARE ASSIGNED IN THE DECLARATION.

CLAY STREET COMMONS, A CONDOMINIUM

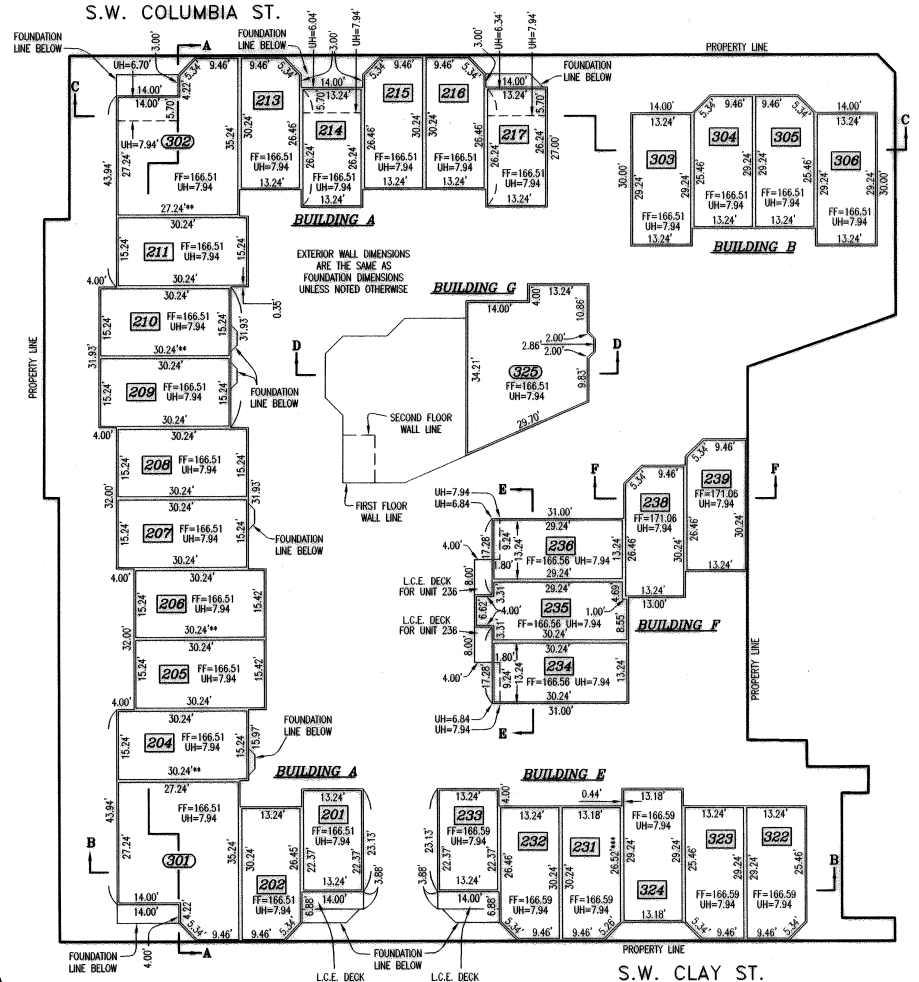
THAT TRACT OF LAND DESCRIBED IN DOCUMENT NO. 2004-205139, MULTNOMAH COUNTY DEED RECORDS, BEING A PORTION OF BLOCK "X", CARTERS ADDITION TO THE CITY OF PORTLAND, SITUATED IN THE NE 1/4 OF SECTION 4, T1S, R1E, W.M. IN THE CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

SURVEYED JANUARY 12TH, 2005
JOB NO. 04-367 P:\04-367\04-67PLT.DWG



FLOOR PLAN - 2ND LEVEL

SEE SHEET 5 FOR AREA SUMMARY.



FLOOR PLAN - 3RD LEVEL

SEE SHEET 5 FOR AREA SUMMARY.

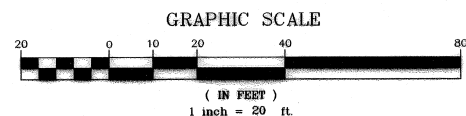
REGISTERED PROFESSIONAL LAND SURVEYOR

Re. Re.

OREGON
JULY 13, 1984
RANDY L. ROHNER
#2107
EXPIRES 12-31-06

I, RANDY L. ROHNER, STATE THAT THIS PLAT OR SURVEY WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51645A ON OCE # 868342 POLYESTER FILM.

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



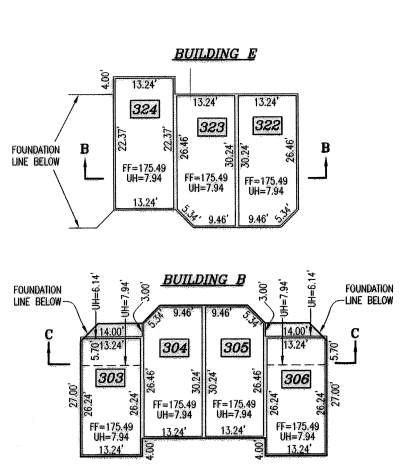
W.B. WELLS and associates, inc.
ENGINEERS SURVEYORS PLANNERS
4230 NE FREMONT STREET
PORTLAND, OREGON 97213
PHONE (503) 284-8866 FAX (503) 284-8530
e-mail address: info@wbwells.com

CLAY STREET COMMONS, A CONDOMINIUM

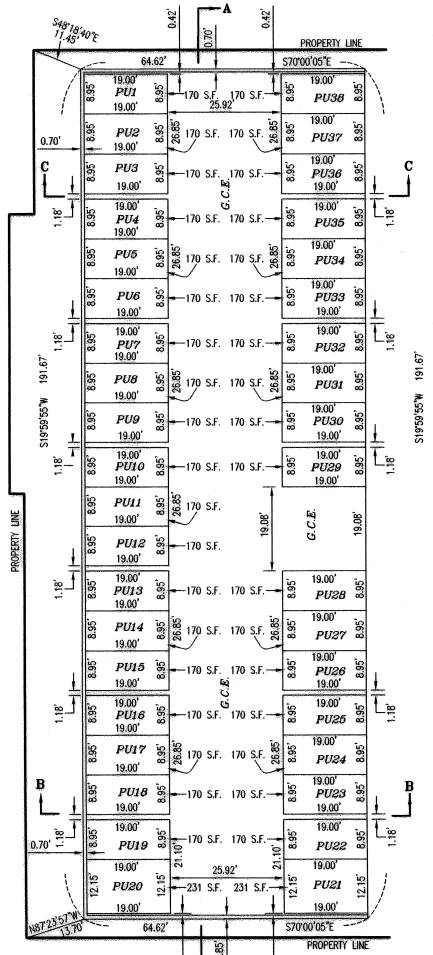
THAT PORTION OF LAND DESCRIBED IN DOCUMENT NO. 2004-205139, MULTNOMAH COUNTY DEED RECORDS, BEING A PORTION OF BLOCK "X", CARTERS ADDITION TO THE CITY OR PORTLAND, SITUATED IN THE NE 1/4 OF SECTION 4, T1S, R1E, W.M. IN THE CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

SURVEYED JANUARY 12TH, 2005
JOB NO. 04-367 P:\04-367\04-67PLT.DWG

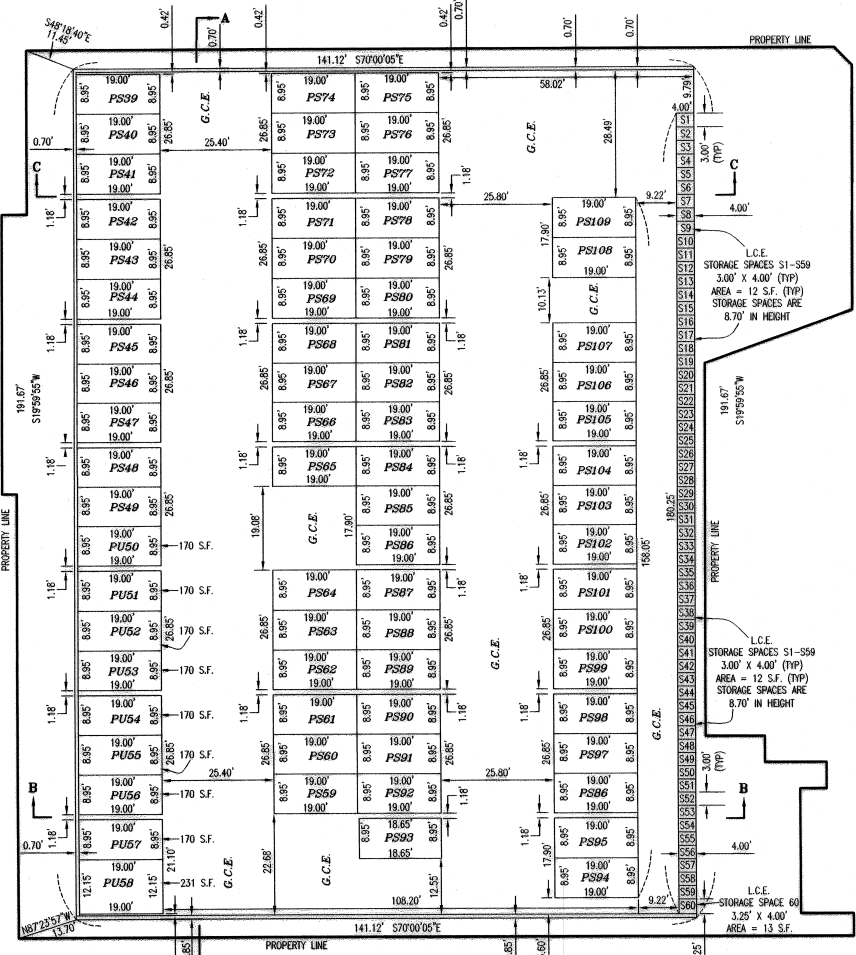
- LEGEND**
- G.C.E. - GENERAL COMMON ELEMENT
 - L.C.E. - LIMITED COMMON ELEMENT
 - PU - PARKING UNIT
 - PS - PARKING SPACE, L.C.E.
 - S.F. - SQUARE FEET
 - TYP - TYPICAL
 - UH - UNIT HEIGHT
 - S - STORAGE SPACE, L.C.E.
- NOTES**
1. PARKING SPACES AND STORAGE SPACES ARE LIMITED COMMON ELEMENTS. LIMITED COMMON ELEMENTS ARE ASSIGNED IN THE DECLARATION.
 2. ELEVATIONS ARE BASED ON CITY OF PORTLAND BENCHMARK NO. 260, A 2 1/2" BRASS DISK IN CURB AT N.E. CORNER OF SW 17TH AVE AND COLUMBIA ST. ELEVATION: 110.535 FEET, CITY OF PORTLAND DATUM.



FLOOR PLAN - 4TH LEVEL
SEE SHEET 5 FOR AREA SUMMARY.



BASEMENT PARKING - LOWER LEVEL
UH = 6.50'



BASEMENT PARKING - UPPER LEVEL

PARKING UNITS AND SPACES ARE 6.50' IN HEIGHT
STORAGE SPACES ARE 8.70' IN HEIGHT

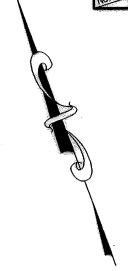
REGISTERED PROFESSIONAL LAND SURVEYOR

RO. RO.

OREGON
JULY 13, 1984
RANDY L. ROHNER
#2107
EXPIRES 12-31-06

I, RANDY L. ROHNER, STATE THAT THIS PLAT OR SURVEY WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51645A ON OCE # 868342 POLYESTER FILM.

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



GRAPHIC SCALE



(IN FEET)
1 inch = 20 ft.



W.B. WELLS and associates, inc.
ENGINEERS-SURVEYORS-PLANNERS
4230 NE FREMONT STREET
PORTLAND, OREGON 97213
PHONE: (503) 294-3886 FAX: (503) 294-6530
e-mail address: info@wbwells.com

SHEET 3 OF 5

LEGEND

- G.C.E. - GENERAL COMMON ELEMENT
- L.C.E. - LIMITED COMMON ELEMENT
- TYP - TYPICAL
- FF - FINISHED FLOOR ELEVATION
- 107 INDICATES 1 STORY UNIT
- 213 INDICATES 2 STORY UNIT

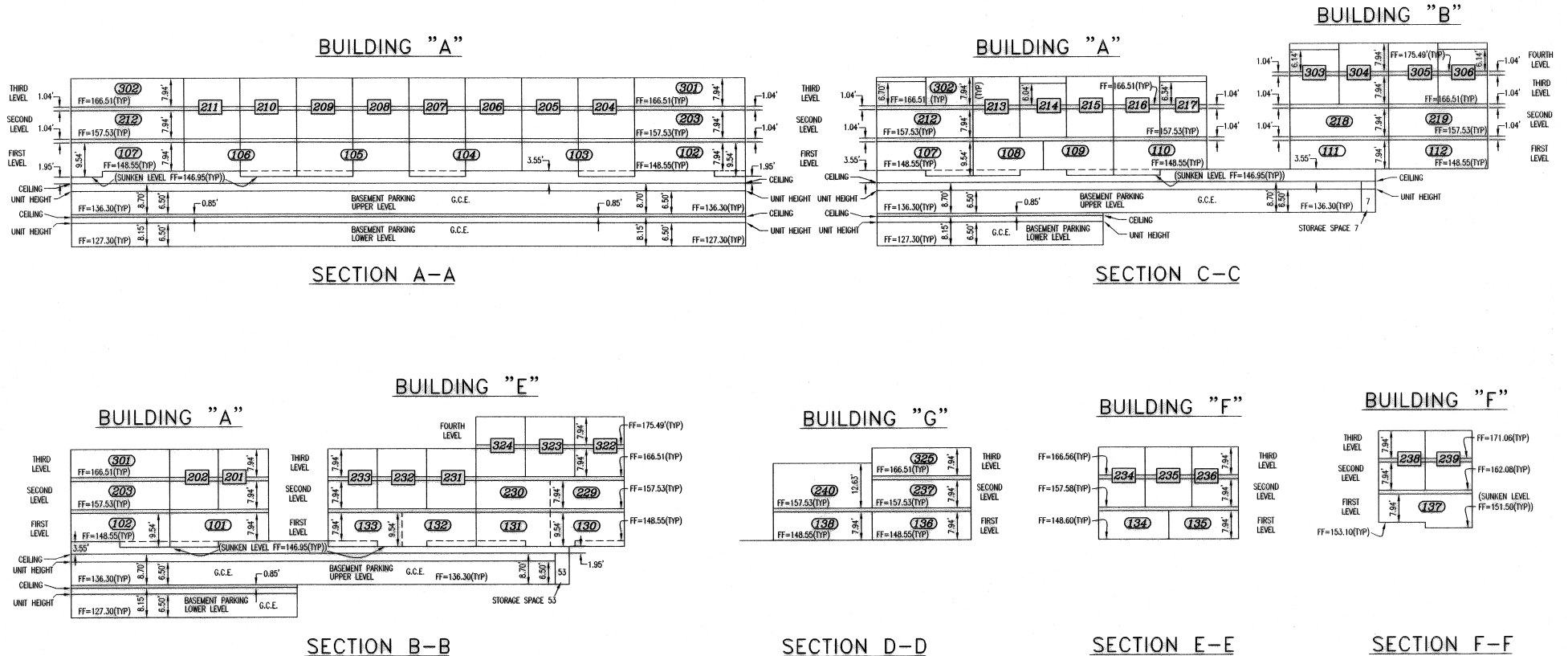
NOTES

1. ELEVATIONS ARE BASED ON CITY OF PORTLAND BENCHMARK NO. 260, A 2 1/2" BRASS DISK IN CURB AT N.E. CORNER OF SW 17TH AVE AND COLUMBIA ST. ELEVATION: 110.535 FEET, CITY OF PORTLAND DATUM.

CLAY STREET COMMONS, A CONDOMINIUM

THAT TRACT OF LAND DESCRIBED IN DOCUMENT NO. 2004-205139, MULTNOMAH COUNTY DEED RECORDS, BEING A PORTION OF BLOCK "X", CARTERS ADDITION TO THE CITY OF PORTLAND, SITUATED IN THE NE 1/4 OF SECTION 4, T1S, R1E, W.M. IN THE CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

SURVEYED JANUARY 12TH, 2005
JOB NO. 04-367 P:\04-367\04-67PLT.DWG



REGISTERED
PROFESSIONAL
LAND SURVEYOR

R. L. Rohner
OREGON
JULY 13, 1984
RANDY L. ROHNER
#2107
EXPIRES 12-31-06

I, RANDY L. ROHNER, STATE THAT THIS PLAT OR SURVEY WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51645A ON OCE # 868342 POLYESTER FILM.

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



W.B. WELLS and associates, inc.
ENGINEERS-SURVEYORS-PLANNERS
4230 NE FREMONT STREET
PORTLAND, OREGON 97213
PHONE: (503) 284-5886 FAX: (503) 284-8530
e-mail address: info@wbwells.com

SHEET 4 OF 5

CLAY STREET COMMONS, A CONDOMINIUM

THAT TRACT OF LAND DESCRIBED IN DOCUMENT NO. 2004-205139, MULTNOMAH COUNTY DEED RECORDS, BEING A PORTION OF BLOCK "X", CARTERS ADDITION TO THE CITY OF PORTLAND, SITUATED IN THE NE 1/4 OF SECTION 4, T1S, R1E, W.M. IN THE CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

SURVEYED JANUARY 12TH, 2005
JOB NO. 04-367 P:\04-367\04-67PLT.DWG

AREA SUMMARY

UNIT NO.	FIRST	SECOND	THIRD	FOURTH	TOTAL
101	779				779
102	897				897
103	909				909
104	909				909
105	909				909
106	909				909
107	897				897
108	579				579
109	584				584
110	779				779
111	779				779
112	779				779
130	582				582
131	579				579
132	581				581
133	574				574
134	582				582
135	622				622
136	830				830
137	778				778
138	853				853
201		387	296		683
202		380	393		773
203		897			897
204		438	461		899
205		446	461		907
206		446	461		907
207		438	461		899
208		446	461		907
209		438	461		899
210		446	461		907
211		897			897
212		380	393		773
214		387	347		734
215		380	393		773
216		380	393		773
217		387	347		734
218		779			779
219		779			779
229		582			582
230		579			579
231		378	392		770
232		380	392		772
233		387	296		683
234		380	400		780
235		440	422		862
236		380	387		767
237		830			830
238		380	393		773
239		380	393		773
240		885			885
301			841		841
302			841		841
303			387	347	734
304			380	393	773
305			380	393	773
306			387	347	734
322			380	393	773
323			380	393	773
324			385	296	681
325			830		830

SURVEYOR'S CERTIFICATE

I, RANDY L. ROHNER, HEREBY CERTIFY THAT I HAVE CORRECTLY SURVEYED AND MARKED WITH PROPER MONUMENTS, THE LAND REPRESENTED ON THE ANNEXED MAP OF "CLAY STREET COMMONS, A CONDOMINIUM", SAID LAND BEING DESCRIBED AS FOLLOWS:

THAT TRACT OF LAND DESCRIBED IN DOCUMENT NO. 2004-205139, MULTNOMAH COUNTY DEED RECORDS, BEING A PORTION OF BLOCK "X", CARTERS ADDITION TO THE CITY OF PORTLAND, SITUATED IN THE NORTHEAST ONE-QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, 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, BEING A 2" IRON PIPE FOUND AT THE NORTHWEST CORNER OF SAID TRACT, ALSO BEING A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SW COLUMBIA STREET (60 FEET WIDE), SAID POINT BEARS NORTH 69°59'57" WEST A DISTANCE OF 297.58 FEET FROM A 5/8" IRON ROD FOUND AT THE NORTHEAST CORNER OF "CLAYBORN CONDOMINIUM; THENCE SOUTH 69°59'57" EAST ALONG THE NORTHEASTERLY LINE OF SAID DOCUMENT NO. 2004-205139 TRACT AND ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE A DISTANCE OF 183.79 FEET TO THE NORTHEAST CORNER OF SAID DOCUMENT NO. 2004-205139 TRACT AND THE WESTERLY LINE OF CLAYBORN CONDOMINIUM; THENCE ALONG THE EASTERLY LINE OF SAID DOCUMENT NO. 2004-205139 TRACT AND ALONG THE WESTERLY LINE OF CLAYBORN CONDOMINIUM THE FOLLOWING COURSES:

SOUTH 24°51'50" EAST A DISTANCE OF 5.66 FEET;
SOUTH 19°52'14" WEST A DISTANCE OF 54.58 FEET;
NORTH 89°22'03" WEST A DISTANCE OF 35.68 FEET;
SOUTH 20°03'06" WEST A DISTANCE OF 84.50 FEET;
SOUTH 69°25'38" EAST A DISTANCE OF 13.50 FEET;
SOUTH 19°20'28" WEST A DISTANCE OF 5.92 FEET;
SOUTH 70°12'04" EAST A DISTANCE OF 14.00 FEET;
SOUTH 21°45'31" WEST A DISTANCE OF 6.00 FEET;
NORTH 69°46'50" WEST A DISTANCE OF 6.00 FEET;
SOUTH 20°01'11" WEST A DISTANCE OF 28.00 FEET;
SOUTH 69°57'21" EAST A DISTANCE OF 12.00 FEET;
AND SOUTH 19°45'12" WEST A DISTANCE OF 5.11 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SW CLAY STREET (60.00 FEET WIDE);

THENCE NORTH 70°00'00" WEST ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE AND ALONG THE SOUTHWESTERLY LINE OF SAID DOCUMENT NO. 2004-205139 TRACT A DISTANCE OF 190.00 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE ALONG THE WESTERLY LINE OF SAID DOCUMENT NO. 2004-205139 TRACT THE FOLLOWING COURSES:

NORTH 19°59'55" EAST A DISTANCE OF 100.01 FEET;
NORTH 69°59'57" WEST A DISTANCE OF 3.32 FEET;
NORTH 20°00'03" EAST A DISTANCE OF 63.17 FEET;
SOUTH 69°59'57" EAST A DISTANCE OF 5.75 FEET;
AND NORTH 20°00'03" EAST A DISTANCE OF 36.83 FEET TO THE INITIAL POINT.

CONTAINING 34,625 SQUARE FEET.

SURVEYOR'S NARRATIVE

THE PURPOSE OF THIS SURVEY IS TO CREATE A CONDOMINIUM PLAT OF THAT TRACT OF LAND DESCRIBED IN DOCUMENT NO. 2004-205139, MULTNOMAH COUNTY DEED RECORDS.

A RANDOM TRAVERSE WAS RUN LOCATING THE MONUMENTS SHOWN ON JANUARY 12, 2005.

THE BOUNDARY WAS HELD AS ESTABLISHED IN OUR PREVIOUS SURVEY FILED AS SN-59740, MULTNOMAH COUNTY SURVEY RECORDS.

CERTIFICATE OF COMPLETION

I, RANDY L. ROHNER, CERTIFY THAT THE ANNEXED PLAT OF "CLAY STREET COMMONS, A CONDOMINIUM" ACCURATELY DEPICTS THE BOUNDARIES OF THE UNITS OF THE BUILDINGS AND THAT CONSTRUCTION OF THE UNITS AND BUILDINGS AS DEPICTED ON SAID PLAT HAS BEEN COMPLETED AS OF MAY 12, 2005.

I, RANDY L. ROHNER, STATE THAT THIS PLAT OR SURVEY WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51645A ON OCE # 865342 POLYESTER FILM.

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

REGISTERED PROFESSIONAL LAND SURVEYOR

20. 20

OREGON JULY 13, 1984 RANDY L. ROHNER #2107

EXPIRES 12-31-06

DECLARATION

KNOW ALL PERSONS BY THESE PRESENTS THAT FOUR SEASONS DEVELOPMENT, LLC, AN OREGON LIMITED LIABILITY COMPANY, HEREBY DECLARES THE ANNEXED MAP OF "CLAY STREET COMMONS, A CONDOMINIUM", AS DESCRIBED IN THE ACCOMPANYING SURVEYOR'S CERTIFICATE, TO BE A TRUE AND CORRECT MAP AND PLAT THEREOF, AND HEREBY COMMITS SAID LAND TO THE OPERATION OF OREGON CONDOMINIUM ACT AS LAID OUT IN CHAPTER 100 OF THE OREGON REVISED STATUTES. THE PROPERTY AND IMPROVEMENTS DESCRIBED AND DEPICTED ON THE PLAT ARE SUBJECT TO THE PROVISIONS OF OREGON REVISED STATUTES 100.005 TO 100.625.

Alan E. Kinsel, Jr.
ALAN E. KINSEL, JR., MEMBER, FOUR SEASONS DEVELOPMENT, LLC

Jamshed Ameri
JAMSHED AMERI, MEMBER, FOUR SEASONS DEVELOPMENT, LLC

ACKNOWLEDGMENT

STATE OF OREGON)
COUNTY OF CLATSOP)
SS

THIS IS TO CERTIFY THAT ON THIS 1ST DAY OF SEPT., 2005 BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID STATE AND COUNTY, PERSONALLY APPEARED ALAN E. KINSEL, JR., AND JAMSHED AMERI, MEMBERS OF FOUR SEASONS DEVELOPMENT, LLC, WHO DID SAY THAT THEY ARE THE IDENTICAL PERSONS NAMED IN THE FOREGOING INSTRUMENT, AND THAT SAID INSTRUMENT WAS EXECUTED FREELY AND VOLUNTARILY ON BEHALF OF FOUR SEASONS DEVELOPMENT, LLC.

James Christmas
NOTARY SIGNATURE
JAMES CHRISTMAS
NOTARY PUBLIC - OREGON

COMMISSION No. 374327
MY COMMISSION EXPIRES November 28, 2007

NOTES

THIS CONDOMINIUM IS SUBJECT TO THE FOLLOWING:

- MATTERS CONTAINED IN THAT CERTAIN DOCUMENT ENTITLED "MASTER WATER SERVICE AGREEMENT" DATED JANUARY 21, 1982, RECORDED JANUARY 28, 1982, BOOK 1575, PAGE 1437, MULTNOMAH COUNTY DEED RECORDS, WHICH DOCUMENT, AMONG OTHER THINGS, CONTAINS OR PROVIDES FOR: "MASTER WATER METER".
- INCLUDING THE TERMS AND PROVISIONS THEREOF "CONVEYANCE FOR EXISTING WATERLINE IMPROVEMENTS" AND "EASEMENT FOR THE MAINTENANCE AND REPAIR OF THE WATERLINE SYSTEM" IN DEED RECORDED OCTOBER 31, 1984, IN BOOK 1784, PAGE 2117, MULTNOMAH COUNTY DEED RECORDS.
- EASEMENT AGREEMENT INCLUDING THE TERMS AND PROVISIONS THEREOF, BY INSTRUMENT DATED MARCH 31ST, 1989, RECORDED APRIL 10TH, 1989, BOOK 2192, PAGE 1495, MULTNOMAH COUNTY DEED RECORDS.
- INCLUDING THE TERMS AND PROVISIONS THEREOF THE GRANT OF EASEMENT FOR RETAINING WALL CONTAINED IN DOCUMENT RECORDED APRIL 10, 1989 IN BOOK 2192, PAGE 1495, MULTNOMAH COUNTY DEED RECORDS.
- MATTERS CONTAINED IN THAT CERTAIN DOCUMENT ENTITLED "MDU BROADBAND SERVICES AGREEMENT AND MEMORANDUM OF EASEMENT", DATED MARCH 23, 2001, RECORDED OCTOBER 4, 2001, RECORDER'S NO. 2001-157806, MULTNOMAH COUNTY DEED RECORDS.

APPROVALS

APPROVED THIS 27th DAY OF September, 2005
COUNTY SURVEYOR
MULTNOMAH COUNTY, OREGON

BY: *Robert A. Harden*

ALL TAXES, FEES, ASSESSMENTS OR OTHER CHARGES AS PROVIDED BY O.R.S. 100.110 HAVE BEEN PAID AS OF October 14th, 2005.
DIRECTOR, DIVISION OF ASSESSMENT & TAXATION
MULTNOMAH COUNTY, OREGON.

BY: *Jean Anne*
DEPUTY

STATE OF OREGON)
COUNTY OF MULTNOMAH)
SS

I DO HEREBY CERTIFY THAT THE ATTACHED CONDOMINIUM PLAT WAS RECEIVED FOR RECORD AND RECORDED October 14, 2005.
AT 2:40 P.M. IN BOOK 1784, PAGES 90-94
COUNTY RECORDING OFFICE

BY: *Carol Steier*
DEPUTY
DOCUMENT NO. 2005 198511



W.B. WELLS and associates, inc.
ENGINEERS-SURVEYORS-PLANNERS
4230 NE FREMONT STREET
PORTLAND, OREGON 97213
PHONE (503) 284-8888 FAX (503) 284-6530
e-mail address: info@wbwells.com

Recorded in MULTNOMAH COUNTY, OREGON
C. Swick, Deputy Clerk
E41 67
Total : 351.00 ATMCS

2005-198512 10/14/2005 02:40:05pm

**DECLARATION SUBMITTING
CLAY STREET COMMONS, a Condominium
TO CONDOMINIUM OWNERSHIP**

By

**FOUR SEASONS DEVELOPMENT, LLC,
an Oregon limited liability company**

September 1, 2005

67

TABLE OF CONTENTS

ARTICLE 1.	DEFINITIONS	1
	1.1 Defined Terms	1
	1.2 Incorporation by Reference	3
ARTICLE 2.	SUBMISSION OF PROPERTY TO CONDOMINIUM STATUTE.....	3
ARTICLE 3.	NAME OF CONDOMINIUM.....	4
ARTICLE 4.	UNITS.....	4
	4.1 General Description of Buildings	4
	4.2 General Description, Location and Designation of Units.....	4
	4.3 Boundaries of Dwelling Units	4
	4.4 Boundaries of Parking Units.....	5
ARTICLE 5.	GENERAL COMMON ELEMENTS	5
ARTICLE 6.	LIMITED COMMON ELEMENTS	5
ARTICLE 7.	ALLOCATION OF UNDIVIDED INTERESTS IN COMMON ELEMENTS.....	6
ARTICLE 8.	COMMON PROFITS AND EXPENSES; VOTING	6
	8.1 Allocation of Common Profits and Expenses	6
	8.2 Covenant to Pay Assessments; Liability for Common Expenses	6
	8.3 Default in Payment of Common Expenses.....	7
	8.4 Foreclosure of Liens for Unpaid Common Expenses	7
	8.5 First Mortgages; Liability of Subsequent Owner	7
	8.6 Allocation of Voting Rights.....	8
ARTICLE 9.	SERVICE OF PROCESS	8
ARTICLE 10.	USE OF PROPERTY.....	8
ARTICLE 11.	MAINTENANCE OF COMMON ELEMENTS.....	9

ARTICLE 12. EASEMENTS	9
12.1 In General.....	9
12.2 Encroachments.....	9
12.3 Granting of Easements by Association	10
12.4 Right of Entry	10
12.5 Easements for Declarant	10
12.6 Inspection for Mold and Water Intrusion	10
ARTICLE 13. APPROVAL BY MORTGAGEES	11
13.1 Notice of Action	11
13.2 Termination and Amendment to Documents	11
13.3 Additional Approvals	13
13.4 Deemed Approval by Mortgagees.....	14
13.5 Notice to First Mortgagees of Defaults.....	14
ARTICLE 14. ASSOCIATION OF UNIT OWNERS.....	14
14.1 Organization.....	14
14.2 Membership; Board of Directors	14
14.3 Powers and Duties.....	14
14.4 Adoption of Bylaws; Declarant Control of Association	14
ARTICLE 15. AMENDMENT.....	15
15.1 How Proposed	15
15.2 Approval Required	15
15.3 Recordation	15
ARTICLE 16 DISPUTE RESOLUTION.....	16
16.1 Mediation.....	16
16.2 Arbitration.....	16
16.3 No Attorneys' Fees.....	17
16.4 Confidentiality.....	17
ARTICLE 17. WARRANTY; RELEASES AND WAIVER OF CLAIMS.....	17

17.1	No Warranty	17
17.2	Dispute Resolution Process	18
17.3	Time Limitation on Actions	18
17.4	No Other Warranties	19
17.5	Right of Inspection.....	19
17.6	Noise, Light, Air	19
ARTICLE 18. SEVERABILITY.....		20
ARTICLE 19. APPLICABILITY		20

**DECLARATION SUBMITTING
CLAY STREET COMMONS
TO CONDOMINIUM OWNERSHIP**

THIS DECLARATION, pursuant to the provisions of the Oregon Condominium Act, is made and executed this ____ day of _____, 2005, by FOUR SEASONS DEVELOPMENT, LLC, an Oregon limited liability company (“Declarant”).

Declarant proposes to create a condominium to be known as Clay Street Commons, a Condominium which will be located at 1535 SW Clay Street, in the City of Portland, Multnomah County, Oregon. The purpose of this Declaration is to submit the real property hereinafter described to the condominium form of ownership and use in the manner provided by the Oregon Condominium Act.

NOW, THEREFORE, Declarant does hereby and provides as follows:

ARTICLE 1. Definitions

1.1 Defined Terms

When used in this Declaration, the Articles of Incorporation of the Association of Unit Owners of Clay Street Commons, a Condominium, its Bylaws, its Rules and Regulations, and any exhibits thereto, unless the context shall require otherwise, the following terms shall have the following meanings:

(a) “Act” means the Oregon Condominium Act, consisting of ORS 100.005 to 100.990, as amended from time to time.

(b) “Association” means the Association of Unit Owners of Clay Street Commons, a Condominium as established pursuant to Article 14 of this Declaration.

(c) “Board” means the Board of Directors of the Association.

(d) “Bylaws” means the Bylaws of the Association of Unit Owners of Clay Street Commons, a Condominium as adopted pursuant to Article 14.4 of this Declaration as may be amended from time to time, and containing all provisions required by ORS 100.415.

(e) “Common Elements” means the General Common Elements and the Limited Common Elements.

(f) “Common Expenses” means expenses of administration, maintenance, repair or replacement of Common Elements, and expenses agreed as common by Unit Owners or as otherwise provided by the Act.

(g) “Condominium” means all of that property submitted to the condominium form of ownership by this Declaration, any and all improvements thereon or to be located thereon and all easements and rights appurtenant thereto.

(h) “Declaration” means this Declaration Submitting Clay Street Commons to Condominium Ownership and any amendments hereto, containing all provisions required by ORS 100.105.

(i) “Declarant” means Four Seasons Development, LLC, an Oregon limited liability company.

(j) “Dwelling Units” means the air space encompassed by the boundaries set forth in Section 4.2 of this Declaration and labeled as such in the Plat.

(k) “Dwelling Unit Owner” means, except to the extent this Declaration or the Bylaws provide otherwise, the person owning the fee simple interest in a Dwelling Unit or the holder of a vendee’s interest in a Dwelling Unit under a recorded land sales contract, as required by the Fannie Mae Single Family Selling Guide, Part XII, 603.01 (“FMSG”).

(l) “Eligible Mortgage Insurer” or “Guarantor” means an insurer or governmental guarantor of a first mortgage on a Unit which Insurer or Guarantor has requested notice of certain matters from the Association in accordance with Article 13.1 of this Declaration.

(m) “Eligible Mortgage Holder” means a holder of a first mortgage on a Unit which holder has requested notice of certain matters from the Association in accordance with Section 13.1, but shall not include a land sale contract vendor.

(n) “General Common Elements” means those Common Elements consisting of the parts of the Condominium described in Article 5 of this Declaration.

(o) “Limited Common Elements” means those Common Elements consisting of the parts of the Condominium described in Article 6 of this Declaration.

(p) “Liberal Construction.” The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Condominium under the Act and other provisions of Oregon law. The terms used herein are intended to have the same meaning as may be given in the Act to such terms unless the context clearly requires otherwise or definition in this manner would have an unlawful consequence.

(q) “Mortgage” and “mortgage” mean, respectively, a recorded mortgage, trust deed or contract of sale that creates a lien against a Unit, and the holder, beneficiary or vendor of such a mortgage, trust deed or contract of sale.

(r) "Original Owner of Units." The Declarant is the original owner of all Units and will continue to be deemed the Owner of such Units until a deed, conveyance or other documents changing the ownership of such Units is filed of record.

(s) "Plat" means the Condominium survey of Clay Street Commons, a Condominium recorded simultaneously with the recording of this Declaration and showing the location of all improvements of the Condominium, the description, location, and area of each Unit and the location and descriptions of each Common Element and otherwise in compliance with ORS 100.115.

(t) "Parking Space" means the air space in which to park a vehicle in the Parking Garage.

(u) "Parking Garage" means the two (2) story concrete parking garage located under a portion of the buildings at the Condominium, and more fully described in the Plat.

(v) "Parking Units" means those Parking Spaces which are described by the boundaries set forth in Section 4.4 of this Declaration and labeled as such on the Plat.

(w) "Parking Unit Owner" shall mean, except to the extent this Declaration or the Bylaws provide otherwise, the person the owning the fee simple interest in a Parking Unit or the holder of a vendee's interest in a Parking Unit under a recorded land sales contract.

(x) "Units" means the Dwelling Units and the Parking Units.

(y) "Unit Owners" shall mean Dwelling Unit Owners and Parking Unit Owners.

1.2 Incorporation by Reference

Except as otherwise provided in this Declaration, each of the terms defined in ORS 100.005, a part of the Oregon Condominium Act, shall have the meaning set forth in such section.

ARTICLE 2. Submission of Property to Condominium Statute

The property submitted to the Oregon Condominium Act by this Declaration is held by Declarant and conveyed by Declarant in fee simple estate. The land submitted is located in the City of Portland, Multnomah County, Oregon, at the following address: 1535 SW Clay Street, Portland, Oregon, 97205. It is more particularly described in the attached Exhibit A. The property submitted includes the land so described, all buildings, improvements and structures, all easements, and rights and appurtenances located on, belonging to or used in connection with such land.

ARTICLE 3. Name of Condominium

The name by which the Condominium shall be known is “Clay Street Commons, a Condominium.”

ARTICLE 4. Units

4.1 General Description of Buildings

The Condominium consists of five (5) buildings designated as Buildings A, B, E, F and G of primarily wood frame and stucco construction, above the Parking Garage, as shown on attached Exhibit B. Building A is three (3) stories in height containing twenty-nine (29) Dwelling Units, and Building B is four (4) stories in height containing eight (8) Dwelling Units. Building E is divided in two (2) portions, the first that is three (3) stories in height and that contains five (5) Dwelling Units, and the second that is four (4) stories in height and that contains seven (7) additional Dwelling Units. Building F contains eight (8) Dwelling Units, and is divided in two (2) portions, each three (3) stories in height. Building G is three (3) stories in height containing five (5) Dwelling Units.

4.2 General Description, Location and Designation of Units

The Condominium consists of a total of sixty-two (62) Dwelling Units and forty-seven (47) Parking Units. The designation, location, and area in square feet of each Unit are shown on the Plat and the attached Exhibit B. The description of the boundaries of the Dwelling Units is set forth in Section 4.3 below. The description of the boundaries of the Parking Units is set forth in Section 4.4 below. The following is a summary of the range of the Dwelling Unit configuration sizes:

No. of Units	Bedrooms	Bathrooms	Sq. Footage
20	2	2	778 – 909
12	1	1	574 – 885
22 townhomes	1	1	681 – 862
8 townhomes	2	1.5	899 – 907

4.3 Boundaries of Dwelling Units

Each Dwelling Unit shall be bounded by the interior surfaces of its perimeter and bearing walls, floors, ceilings, windows and window frames, doors and doorframes, and trim. The Dwelling Unit shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof, except those portions of the walls, floors and ceilings that materially contribute to the structural or shear capacity of the Condominium. All other portions of the walls, floors or ceilings shall be a part of the Common Elements. In addition, each Dwelling Unit shall include the following: (a) all spaces, nonbearing interior partitions, windows, window frames, exterior doors, door frames and all other fixtures and

improvements within the boundaries of the Dwelling Unit, and (b) all outlets of utility and communications service lines, including, but not limited to, power, light, gas, hot and cold water, heating, refrigeration, air conditioning and waste disposal, security, cable television and telephone, within the boundaries of the Dwelling Unit, but shall not include any part of such lines or ducts themselves. ORS 100.115(2).

4.4 Boundaries of Parking Units

Each Parking Unit shall be bounded by the paved surface of the Parking Unit as shown on the Plat, a vertical plane extending upwards at a 90 degree angle from the boundaries of the paved surface of the Parking Unit for a distance of six and one-half (6 ½) feet, and a horizontal plane co-extensive with the boundaries formed by the uppermost edge of each vertical plane and all air space so enclosed. Accordingly, each Parking Unit constitutes cubic air space, in which to park a vehicle, but the surface beneath the air space of the Parking Units constitutes part of the Common Elements.

ARTICLE 5. General Common Elements

The General Common Elements shall consist of the following:

- (a) The land, pathways, fences and grounds.
- (b) Pipes, ducts, flues, chutes, conduits, wires and other utility and communications installations to their outlets.
- (c) Roofs, foundations, bearing and shear walls, perimeter walls, beams, columns and girders to the interior surfaces thereof.
- (d) A common area building consisting of an exercise room, two restrooms, an entertaining room, and a kitchen.
- (e) Stairs and landings, if any, that are not part of a Unit.
- (f) All other elements of the Buildings and the Condominium necessary or convenient to their existence, maintenance and safety, or normally in common use, except as may be expressly designated in this Declaration as part of a Unit or a limited common element. ORS 100.105(e).

ARTICLE 6. Limited Common Elements

The following shall constitute Limited Common Elements, the use of which shall be restricted to the Units to which they pertain:

- (a) All decks identified on the Plat, each of which shall pertain to the Unit that it adjoins as shown on the Plat, and identified on Exhibit C.

(b) Storage spaces identified on the Plat, each of which shall pertain to the Unit identified on Exhibit C.

(c) Parking Spaces identified on the Plat as Limited Common Elements, each of which shall be for the exclusive use and pertain to the Dwelling Unit identified on Exhibit C. ORS 100.105(g).

ARTICLE 7. Allocation of Undivided Interests in Common Elements

Each Unit's percentage interest in the General Common Elements is allocated among the Units as described in this Article 7. Each Dwelling Unit's percentage interest in the General Common Elements is equal to the ratio by which the area of the particular Dwelling Unit bears to the total area of all Dwelling Units combined, multiplied by point nine-seven-seven-five (.9775), as shown on the attached Exhibit B. FMSG, Part XII, 608.02. Each Parking Unit Owner's percentage interest in the General Common Elements is equal to the remaining point zero-two-two-five (.0225) divided by the number of Parking Units (47), or point zero-zero-zero-four-seven-nine (.000479). Each Dwelling Unit's interest in the General Common Elements and Limited Common Elements, and each Parking Unit's interest in the General 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 General Common Elements or Limited Common Elements shall be void unless the Unit to which that interest is allocated is also transferred. ORS 100.105(f).

ARTICLE 8. Common Profits and Expenses; Voting

8.1 Allocation of Common Profits and Expenses

The common profits and Common Expenses of the Condominium shall be allocated to each Unit Owner according to the allocation of undivided interest of such Unit in such Common Elements. Except upon termination of the Condominium or as otherwise provided in the Bylaws with respect to damage, destruction or condemnation, any such common profits shall be used solely for the purpose of maintaining, repairing and replacing the Common Elements or for other expenses and reserves of the Association. Notwithstanding the above, Unit Owners may be assessed amounts individually for Common Expenses incurred through such Unit Owner's fault or direction or as otherwise provided in the Bylaws. Any 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. ORS 100.530.

8.2 Covenant to Pay Assessments; Liability for Common Expenses

Each Unit Owners will be liable for assessments relating to the Common Expenses. Each Unit Owner hereby covenants and agrees to pay to the Association annual assessments for Common Expenses as more fully provided in the Bylaws. As set forth in Section 5.3.3 of the Bylaws, regular monthly assessments for Common Expenses will commence on the date

of the recording of the deed of the first sale of a Unit in the Condominium to persons other than the Declarant. The Declarant may elect to defer commencement of all or a part of Common Expense assessments as to all Units, but in no case more than sixty (60) days after the recording of the deed of the first Unit to a person other than Declarant. No Unit Owner by the Owner's own action may claim exemption for his or her assessed contribution towards Common Expenses by waiver by the Unit Owner of the use or enjoyment of the Common Elements or abandonment by the Unit Owner of his or her Unit. ORS 100.530.

8.3 Default in Payment of Common Expenses

As more fully set forth in Section 5.6 of the Bylaws, the Association shall have a right to impose fines on Unit Owners, and their tenants for failure to pay assessments or comply with the requirements of this Declaration, the Bylaws, or rules and regulations of the Association. As more fully set forth in Section 5.6 of the Bylaws, upon levying the assessments (including applicable late fees, interest, costs and attorney fees for collection) the Association shall have a lien on the Unit and its apportioned undivided interest in the Common Elements, as authorized by ORS 100.450(1). FMSG, Part XII, 608.04.

8.4 Foreclosure of Liens for Unpaid Common Expenses

In any action brought by the Association to foreclose a lien on a Unit because of unpaid Common Expenses, the Owner shall be required to pay a reasonable rental for the use of the Unit during the pendency of the suit, and the plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect such rental. The Board, acting on behalf of the Association, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey, or otherwise deal with the Unit. An action to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing any lien securing the same. ORS 100.460; FMSG, Part XII, 608.04.

8.5 First Mortgages; Liability of Subsequent Owner

Any lien of the Association against a Unit for Common Expenses shall be subordinate to tax and assessment liens and any first Mortgage of record, except that the Association then shall be prior to a first Mortgage if there has been compliance with all requirements of ORS 100.450(7). FMSG, Part XII, 608.03. Where the purchaser or Mortgagee of a Unit obtains title to the Unit as a result of foreclosure of a first Mortgage or by deed in lieu of foreclosure, such purchaser or Mortgagee and his successors and assigns shall not be liable for any of the common expenses chargeable to such Unit which became due prior to the acquisition of title to such Unit by such purchaser or Mortgagee except to the extent provided in ORS 100.475(2); provided, in the case of a deed in lieu of foreclosure, that the Mortgagee complies with the requirements of ORS 100.465(1); and provided further, that any sale or transfer of a Unit pursuant to a foreclosure shall not relieve the purchaser or transferee of such Unit from liability for, nor such Unit from the lien of, any common expenses thereafter becoming due. FMSG, Part XII, 608.03 In a voluntary conveyance of a Unit, the grantee shall

be jointly and severally liable with the grantor for all unpaid assessments against the grantor of the Unit to the time of grant of conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, upon request of a prospective purchaser, the Board shall make and deliver a statement of the unpaid assessments against the prospective grantor of the Unit, and the grantee in such case shall not be liable for, nor shall the Unit when conveyed be subject to, a lien filed thereafter for any unpaid assessments against the grantor in excess of the amounts therein set forth.

8.6 Allocation of Voting Rights

8.6.1 For All Condominium Matters

Each Dwelling Unit Owner shall be entitled to one (1) vote in the affairs of the Association, including the election of members of the Board of Directors of the Association, and including those matters specified in Section 8.6.2, for each Dwelling Unit owned by him or her.

8.6.2 For Matters Relating Directly and Primarily to the Parking Garage

Each Parking Unit Owner shall be entitled to one (1) vote in the affairs of the Association relating directly and primarily to the Parking Garage, the Parking Units, assessments, the reserve account, amendments to the Bylaws or this Declaration relating thereto, or as otherwise provided in this Declaration or Bylaws for each Parking Unit owned by him or her.

8.6.3 General

If there are multiple owners of a Unit, then those owners shall have collectively one (1) vote for the Unit. ORS 100.575(2)(b). The method of voting shall be as specified in the Bylaws. ORS 100.525(1); FMSG, Part XII, 608.01.

ARTICLE 9. Service of Process

The designated agent to receive service of process in cases provided in ORS 100.550 (1) is named in the Condominium Information Report which will be filed with the Real Estate Agency in accordance with ORS 100.250(1)(a), provided that if and when the Association is incorporated the registered agent of the Corporation shall be such designated agent.

ARTICLE 10. Use of Property

Dwelling Units shall be used primarily for "residential purposes" as defined in the Bylaws as primary or secondary residences, provided that, consistent with zoning regulations, a Dwelling Unit Owner may utilize his or her Dwelling Unit as an office. Parking Units shall be used for parking passenger cars and trucks, trailers, and boats, but no vehicle in excess of

three (3) tons in weight, or longer than nineteen (19) feet without Board approval. ORS 100.105(1)(j).

ARTICLE 11. Maintenance of Common Elements

The necessary work to maintain, repair or replace the Common Elements shall be the responsibility of the board of directors of the Association and shall be carried out as provided in the Bylaws. ORS 100.540; FMSG, Part XII, 604.

ARTICLE 12. Easements

12.1 In General

Each Dwelling Unit has an easement in and through each other Dwelling Unit and the Common Elements for all support elements and utility, wiring, heat and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium. In addition, each Dwelling Unit and all the Common Elements are specifically subject to easements as required for the electrical wiring and plumbing for each Dwelling Unit. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for Common Elements reserved by law. Each Unit Owner has an unrestricted right of ingress and egress to his or her Unit. This right is perpetual and passes with the ownership of the Unit. Any conveyance, encumbrance, judicial sale, or other transfer (whether voluntary or involuntary) of an individual interest in the Common Elements shall be void unless the Unit to which the interest is allocated is also transferred. ORS 100.520; FMSG, Part XII, 609.01.

12.2 Encroachments

Each Unit and all Common Elements shall have an easement over all adjoining Units and common elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection as long as the physical boundaries of the Units are in substantial accord with the description of those boundaries that appears in this Declaration. There shall be valid easements for the maintenance of the encroaching Units and Common Elements so long as the encroachments shall exist, and the rights and obligations of owners shall not be altered in any way by the encroachment. This provision shall not relieve a Unit Owner of liability in the case of willful misconduct of the Owner, or relieve Declarant or any contractor, subcontractor or materialman from any liability as a result of failure to adhere to the Plat. The encroachments described in this Section 12.2 shall not be construed to be encumbrances affecting the marketability of title to any Unit. ORS 100.520(2)-(4); FMSG, Part XII, 604.02.

12.3 Granting of Easements by Association

In accordance with ORS 100.405(5), the Association, upon prior approval of seventy five percent (75%) of the voting power of the Unit Owners entitled to vote, may grant, execute, acknowledge, deliver and record on behalf of the Unit Owners leases, easements, rights-of-way, licenses and similar interests in excess of two (2) years affecting the Common Elements and consent to vacation of roadways within and adjacent to the Condominium. Unless this Declaration otherwise provides, a grant of any such interest affecting the General Common Elements for a term of two (2) years or less shall not be considered the granting of an interest for which approval by the Unit Owners is required, such that it may be granted by the board of directors by approval of a majority of the Board, pursuant to the Bylaws. No such interest may be granted with regard to a Limited Common Element, unless the Dwelling Unit Owner(s) having the right to use such Limited Common Element, and Mortgagees of such Units, consent to and join in the instrument granting the interest. ORS 100.405(8); FMSG, Part XII, 608.05.

12.4 Right of Entry

The board of directors of the Association, managing agent, manager or any other person authorized by the board of directors shall have the right to enter any Unit in the case of an emergency originating in or threatening such Unit or other Condominium property, whether or not the Unit Owner is present at the time. Such persons shall also have the right to enter any Unit for the purpose of performing installations, alterations or repairs to any common element and for the purpose of inspection to verify that the Unit Owner is complying with the restrictions and requirements described in this Declaration and the Bylaws, provided that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner. FMSG, Part XII, 608.05.

12.5 Easements for Declarant

Declarant and Declarant's agents, successors and assigns shall have an easement over and upon the Common Elements as may be reasonably necessary to complete or make repairs to existing structures and, as appropriate, for the purpose of carrying out sales and rental activities necessary or convenient for the sale or rental of Units, including, without limitation, the right to use the Units owned by Declarant as model Units and the right to use a Unit as a sales office, and for the purpose of discharging any other obligation of Declarant or exercising any other special Declarant right, whether arising under the Act or reserved in this Declaration or the Bylaws. FMSG, Part XII, 606.

12.6 Inspection for Mold, Water Intrusion, Pest Infestation, Fire Hazard, Etc.

The board of directors of the Association, managing agent, manager or any other person authorized by the Board of Directors shall have the right, on 48 hours prior written notice, to enter any Unit to conduct a periodic inspection of a Unit for the appearance of mold

or mildew and/or for water intrusion into the Unit to determine if there is an unsanitary condition, pet infestation, fire hazard, or other unsafe or potentially damaging condition. Such inspection shall occur at such time as is reasonably convenient to the Unit Owner and the inspector. This right of entry and inspection shall not in any way obligate the Association or the Board to make such an inspection, and the determination on whether to inspect Units and frequency of any such inspections, shall solely be within the discretion of the Board.

ARTICLE 13. Approval by Mortgagees

13.1 Notice of Action

Upon written request to the Association identifying the name and address of the Eligible Mortgage Holder, Eligible Mortgage Insurer or Guarantor and the Unit number or address on which it has (or insures or guarantees) the mortgage, any such Eligible Mortgage Holder, Eligible Mortgage Insurer or Guarantor shall be entitled to timely written notice of the following:

(a) Any condemnation or casualty loss that affects a material portion of the Condominium or affects the Unit securing its mortgage.

(b) Any 60-day delinquency in the payment of assessments or charges owed by any Unit Owner on which it holds the mortgage.

(c) Any lapse, cancellation or material modification of any insurance policy maintained by the Association.

(d) Any proposed action that would require consent of a specified percentage of Eligible Mortgage Holders as required by this Article 13.

FMSG, Part XII, 610.

13.2 Termination and Amendment to Documents

(a) The approval of Eligible Mortgage Holders holding mortgages on Dwelling Units subject to Eligible Mortgage Holder mortgages, that have at least sixty-seven percent (67%) of the voting rights entitled to be cast, shall be required to terminate the legal status of the project as a condominium for reasons other than substantial destruction or condemnation of the property. ORS 100.600; FMSG, Part XII, 601.03B.

(b) Except when a greater percent is required by this Declaration or the Bylaws, or a greater or lesser percent is mandated by the Act, the consent of the Unit Owners holding at least sixty seven percent (67%) of the voting rights entitled to be cast on the issue and the approval of Eligible Mortgage Holders holding mortgages on Units that have at least fifty one percent (51%) of the voting rights of the Units subject to Eligible Mortgage Holder Mortgages shall be required for any amendments of a material nature to this Declaration or the Bylaws. FMSG, Part XII, 601.03A and B; ORS 100.135; ORS 100.410. Any amendment

to this Declaration or the Bylaws that changes any of the following shall constitute a material change:

- (1) Voting rights;
- (2) Increases in assessments that raise the previously assessed amount by more than twenty five (25%) percent, assessment liens or the priority of such liens;
- (3) Reduction in reserves for maintenance, repair and replacement of the common elements;
- (4) Responsibility for maintenance and repairs;
- (5) Reallocation of interests in the General or Limited Common Elements, or rights to their use;
- (6) The boundaries of any Unit;
- (7) Convertibility of Units into Common Elements or of Common Elements into Units;
- (8) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;
- (9) Reduction of hazard, liability, or fidelity insurance requirements;
- (10) Imposition of any restrictions on the leasing of Units;
- (11) Imposition of any restrictions on the use of Units as home offices beyond those applicable zoning restrictions;
- (12) Imposition of any restriction on the right of a Unit Owner to sell or transfer his or her Unit;
- (13) A decision by the Association to establish self-management if professional management had been required previously by this Declaration or the Bylaws, or by an Eligible Mortgage Holder;
- (14) Restoration or repair of the Condominium (after damage or partial condemnation) in a manner other than specified in this Declaration or the Bylaws;
- (15) Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs;
- (16) Any provisions that expressly benefit Eligible Mortgage Holders, Eligible Mortgage Insurers or Guarantors;

- (17) Any amendment relating to age restrictions of residents;
- (18) Any amendment relating to pet restrictions; or
- (19) Any amendment limiting the number of persons who can occupy a Dwelling Unit. ORS 100.115.

(c) An addition or amendment to this Declaration or the Bylaws shall not be considered "material" for purposes of Section 13.2(b) if it is for the purpose of correcting technical errors or for clarification only. Any Eligible Mortgage Holder who receives a written request to approve any termination, additions or amendments and who does not deliver or post to the requesting party a negative response within thirty (30) days shall after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, return receipt requested, be deemed to have approved such request.

13.3 Additional Approvals

13.3.1 In addition to any other approvals required by the Act, this Declaration or the Bylaws, the prior written approval of at least (i) fifty one percent (51%) of Eligible Mortgage Holders (based on one vote for each first mortgage owned) and (ii) seventy five percent (75%) of Unit Owners entitled to vote on the issue (other than Declarant) must be obtained for the following:

(a) Any change in the pro rata interest or obligations of any individual Unit for: (1) the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or (2) determining the pro rata share of ownership of each Unit in the common elements.

(b) The partition or subdivision of any Unit.

(c) Abandonment, partition, subdivision, encumbrance, sale or transfer of the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause (c).

(d) Use of hazard insurance proceeds for losses to any condominium property, whether to Units or to Common Elements, for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the Units and/or Common Elements of the Condominium.

13.3.2 Subject to Section 13.2(a), abandonment or termination of the Condominium regime by the Unit Owners requires that all Unit Owners execute and cause the recording of an instrument to that effect.

13.4 Deemed Approval by Mortgagees

Any Mortgagee, including an Eligible Mortgage Holder, who receives a written request to approve additions or amendments to the Declaration or Bylaws, or to a termination of the Condominium, or to any other action to be taken by the board of directors and/or Association, shall be deemed to have given such approval unless a negative response is delivered or posted to the requesting party by such Eligible Mortgage Holder within thirty (30) days after such request is received; provided the notice or request was delivered by certified or registered mail, with a "return receipt" requested. FMSG, Part XII, 601.03B.

13.5 Notice to First Mortgagees of Defaults

Any first mortgagee, upon request, will be entitled to written notification from the Association of any default in the performance by the Unit Owner of the mortgaged Unit of any obligation under this Declaration, the rules and regulations or the Bylaws that is not cured within sixty (60) days.

ARTICLE 14. Association of Unit Owners

14.1 Organization

Upon the recording of this Declaration, Declarant shall organize an association of Unit Owners by filing articles of incorporation with the Oregon Secretary of State. The association will serve as a means through which the Unit Owners may take action with regard to the administration, management and operation of the Condominium. The name of this association shall be "Association of Unit Owners of Clay Street Commons, a Condominium," and the Association shall be an Oregon non-profit corporation. ORS 100.405(1)(a).

14.2 Membership; Board of Directors

Each Unit Owner shall be a member of the Association. ORS 100.405(2). The affairs of the Association shall be governed by a board of directors as provided in the Bylaws. ORS 100.405(3).

14.3 Powers and Duties

The Association shall have such powers and duties as may be granted to it by the Act, including each of the powers set forth in ORS 100.405(4), together with such additional powers and duties afforded it by this Declaration or the Bylaws.

14.4 Adoption of Bylaws; Declarant Control of Association

Declarant will control the Association for a period equal to the earlier of (i) up to three (3) years after the date of conveyance of the first Unit to a person other than Declarant, or (ii) ninety (90) days after Declarant has sold and conveyed seventy-five percent (75%) or more of the total sixty (60) Dwelling Units in the Condominium. ORS 100.200(1); ORS

100.200(2)(a). Upon the execution and the recording of this Declaration, Declarant shall adopt Bylaws for the Association, which Bylaws are attached hereto as Exhibit D. ORS 100.410(1). At the same time, Declarant will appoint an interim board of directors of the Association, which directors shall serve until their successors have been elected as provided in Section 3.4 of the Bylaws. Additional provisions regarding turnover of the Association to the Unit Owners are set forth in Section 2.2. of the Bylaws. In addition, Declarant shall have the right to consent to any amendment to this Declaration or the Bylaws as provided in Section 15.2 below and Section 9.2 of the Bylaws.

ARTICLE 15. Amendment

15.1 How Proposed

Amendments to this Declaration shall be proposed by either a majority of the board of directors or by Unit Owners holding thirty percent (30%) or more of the voting rights entitled to be cast on the amendment. ORS 100.135(1). The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment.

15.2 Approval Required

Except as may otherwise be provided in this Declaration or mandated by the Act, this Declaration may be amended only if such amendment is approved by Unit Owners holding seventy five percent (75%) of the voting rights entitled to be cast on the amendment and by mortgagees to the extent required by Article 13. ORS 100.135(3). Declarant's prior written consent shall also be required so long as Declarant owns twenty five (25%) percent or more of the Units in the Condominium, but no such consent shall be required after three (3) years from the date of conveyance of the first Unit to a person other than Declarant. ORS 100.135(9). Except as otherwise permitted by the Act, no amendment may change the size, location, allocation of undivided interest in the Common Elements, method of determining liability for Common Expenses, right to common profits or voting rights of any Unit unless such amendment has been approved by all the owners and mortgagees of the affected Units. Any amendment that would limit or diminish any special Declarant rights established in this Declaration or the Bylaws shall require the written consent of Declarant.

15.3 Recordation

The amendment shall be effective upon recordation in the Deed Records of Multnomah County, Oregon, of this Declaration as amended or of the amendment thereto, certified to by the chairperson and secretary of the Association as being adopted in accordance with this Declaration and the provisions of the Act, and approved by the county assessor and the Real Estate Commissioner if such approvals are required by Act. ORS 100.135.

ARTICLE 16 Dispute Resolution

16.1 Mediation

The parties acknowledge the advantages of mediation of disputes, so long as each party participates in good faith and has adequate information to form an opinion as to the strength of its position. Therefore, in the event of any dispute in which Declarant is an adversarial party to the Association or any Unit Owner, the parties agree to attempt to mediate the dispute in good faith, such mediation to occur either before or during the arbitration process. The mediation will be held in Portland, Oregon, in accordance with the then-existing mediation procedures of the Multnomah County, Oregon Circuit Court (“the Circuit Court”), but not under the auspices of the Circuit Court. In particular, the mediator need not be selected from the list of approved mediators maintained by the Circuit Court. By way of example only, the parties may ask a member of the federal bench for the District of Oregon to mediate their dispute. The parties agree to use their best efforts to mediate the dispute promptly, within thirty (30) days, if possible. In any event, the mediation shall be held within sixty (60) days from either party’s request for mediation unless the parties agree otherwise in a writing signed by both parties. The parties further understand and agree that either party may commence arbitration while the mediation is proceeding, and both agree to continue to mediate in good faith even if an arbitration is commenced during that process.

Either party may request mediation at any time, prior to or during the arbitration process set out in Section 16.2.

16.2 Arbitration

Subject to the obligation to attempt to mediate in good faith prior to commencing arbitration of any dispute in which Declarant is an adversarial party to the Association or any Unit Owner and without having any legal rights under the Act [ORS 100.780], the parties agree to promptly arbitrate any dispute pursuant to all but the appellate rules of the Multnomah County, Oregon Circuit Court Arbitration Program (“the Arbitration Program”) in force at the time of initiation of the arbitration, but not under the auspices of the Arbitration Program. In particular, the arbitrator need not be selected from the list of approved arbitrators maintained by the Arbitration Program. By way of example only, the parties may select an arbitrator from the list of construction industry arbitrators maintained by United States Arbitration and Mediation. Notwithstanding the appellate procedures set out by the Arbitration Program, the arbitration shall be final and binding.

Except to the extent that it may be inconsistent with this Agreement, the arbitration shall be governed by the Federal Arbitration Act, 9 USC §§ 1-16.

Disputes in which the Association and a Unit Owner have an adversarial relationship shall be resolved as provided in Section 10.4 of the Bylaws and ORS 100.405(11)(a).

16.3 No Attorneys' Fees

Except as specifically mandated in the Act, or provided for in this Declaration or the Bylaws, no party in the arbitration or other proceeding shall be entitled to recover costs or attorneys' fees in connection therewith.

To the fullest extent allowed by law, and (a) except for disputes in an amount less than or equal to Ten Thousand Dollars (\$10,000); (b) actions to appoint a receiver; (c) actions to summarily abate and remove a structure or condition that violates the Declaration or the Bylaws; (d) and/or claims of the Association for assessments, fines or other amounts owed to the Association hereunder or pursuant to the Bylaws, no claim shall be brought by the Association without approval from the Unit Owners holding seventy five percent (75%) of the Association's voting power.

16.4 Confidentiality

Any and all discussions of disputes and settlements shall be kept confidential and shall not be disclosed, whether directly or indirectly, to any third parties unless compelled to do so by an order of a court of competent jurisdiction. All parties agree that, except attorneys and consultants retained in such dispute, and then only with a confidentiality restriction, in the event a party breaches its confidentiality obligation the other party or parties to the dispute shall be entitled to seek and obtain any and all equitable remedies, including injunctive relief and specific performance and each party hereby waives any claim or defense that the other party has an adequate remedy at law for any such breach and the parties agree that the aggrieved party shall not be required to post any bond or other security in connection with any such equitable relief.

ARTICLE 17. No Warranty; Releases and Waiver of Claims

17.1 No Warranty

AS IS SALE. Neither Declarant, nor Declarant's principals, representatives, agents or brokers shall be deemed to have made any representations or warranties, expressed or implied, nor made any agreements, concerning matters relating to the physical condition of or any of the characteristics of any kind related to the Condominium or Unit being purchased, other than as expressly set forth in the Unit Sales Agreement or this Declaration. The Condominium was a pre-existing rental apartment complex and is not newly constructed. As such, **DECLARANT DISCLAIMS ALL WARRANTIES AND COVENANTS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE** relating to the Condominium, its Common Elements and Units as well as to any personal property that may be sold in conjunction with any Unit, including, but not limited to, fixtures, including light fixtures, appliances, water heaters, heating equipment and consumer products as those items are defined in the Magnuson-Moss Warranty Act or consumer goods as defined in the Uniform Commercial Code as adopted in Oregon. Each purchaser must accept the Unit and the common elements appertaining thereto

in their present condition, with all defects, whether apparent or not apparent (i.e. latent), **AS IS**.

17.2 Dispute Resolution Process

Each Unit Owner and the Association, by purchasing a Unit in the Condominium, shall be deemed to acknowledge and agree that Article 16 governs the procedures set forth for resolving claims by Unit purchasers and the Association against Declarant, its principals, representatives, agents or brokers thereunder. Such process shall include the right of Declarant to investigate and cure any alleged defects. The Dispute Resolution Process set forth in this Declaration shall be the sole method for resolving any and all disputes and/or claims among Declarant, any Unit Owners and/or the Association with respect to alleged defects and/or claims.

17.3 Mold and Mildew Disclaimer

Prior to the creation of the Condominium, some portions of the exterior siding and windows have leaked thereby allowing water intrusion. Declarant has replaced, or is in the process of replacing substantially all, but not necessarily all, of the exterior siding and windows of this Condominium. During the replacement process, Declarant discovered mold and mildew that damaged portions of the sheathing and exterior framing. Declarant has repaired, or is in the process of repairing the damage that was discovered. **Declarant has not had a mold inspection conducted, and can give no assurance that mold problems do not currently exist elsewhere in the Condominium or in other portions of the sheathing and framing that were not discovered, and will not in the occur in the future.** Purchaser should satisfy himself or herself (personally or through a qualified inspector of Purchaser's choice and expense) as to the existence of any other water intrusion and/or mold problems or potential deficiency. Declarant will make available access to any portion of the Building requested by purchaser. Notwithstanding the above, should Purchaser conduct invasive testing, Purchaser shall be required, at Purchaser's sole expense, to return the Building to a similar condition as was present prior to the invasive testing. Purchaser warrants that, prior to closing, Purchaser will have had an opportunity to inspect the Unit and all common elements personally or through a qualified inspector, and **Purchaser is relying solely on this independent investigation in purchasing the Unit.** Purchaser should also be aware that living areas can develop mold or mildew if not properly ventilated throughout the year and that such ventilation shall be the responsibility of the Purchaser. For example, adequate ventilation may require that the Purchaser, on a regular basis, open windows and operate the bathroom and/or kitchen fan(s) in Purchaser's Dwelling Unit.

17.4 Time Limitation on Actions

Each Unit Owner and the Association shall be deemed to have agreed that the limitation on claims in this Article 17 shall be comprehensive and final and binding on all parties. In the event that it is determined that any claim against the Declarant, the Declarant's principals, members, owners, agents, employees, successors and assigns, under any legal

theory or equitable ground, survives the time limitation for any reason, then such claim, if with respect to a Unit or Units and related Limited Common Elements, shall be brought no later than the first (1st) anniversary of the date of closing on the sale of the first Unit involved in such claim or action. If such claim is with respect to the General Common Elements, such a claim shall be brought no later than the first (1st) anniversary of the date of the first closing on the sale of a Unit in the Condominium to a Unit Owner other than Declarant or the first anniversary of the date of substantial completion of renovation of the General Common Element in question, whichever occurs later, substantial completion being evidenced by the completion of a final inspection of the said General Common Element. In any case and notwithstanding the above time limitations, all claims must be brought within sixty (60) days after the date that the affected/aggrieved Unit Owner knew or reasonably should have known of facts sufficient to put the Unit Owner on notice of the claim. Any such claims that a purchaser shall attempt to bring after this time limit shall be deemed barred.

17.5 No Other Warranties

Except as may be set forth in the Unit Sales Agreement and Parking Unit Sales Agreement, Declarant shall be deemed to have disclaimed having made any other warranties, express or implied, including, but not limited to, any warranty of habitability, merchantability, and or fitness for a particular purpose or any other warranties regarding consumer products as defined in the Magnusson-Moss Warranty Act or the Uniform Commercial Code. Such disclaimer shall be enforced to the fullest extent that the law allows, and shall relate to the Buildings, the Units, all Common Elements, and any other part of the Condominium. Purchaser shall not rely on any statements contained in marketing literature, realtor and other listing websites, pamphlets, advertisements, or realtor's listing agreements ("3rd Party Statements"). Any such 3rd Party Statements are subject to change, and shall not be interpreted to modify or expand any terms or conditions contained in the Unit Sales Agreement. **Declarant, its employees, agents or subcontractors have not made, and each Unit Owner as purchaser shall be deemed to have acknowledged that such Unit Owner did not rely on, any representation except as set forth in the Unit Sales Agreement.**

17.6 Right of Inspection

Declarant, its agents and assigns shall, by advance appointment, have the right for six (6) years, after conveyance of the last Unit sold by Declarant, to inspect the conveyed Unit, its Limited Common Elements and the Condominium's General Common Elements to identify and correct any conditions for which Declarant could potentially be responsible for under the Unit Sales Agreement or relevant law.

17.7 Noise, Light, Air

Unless set forth in the Unit Sales Agreement, Parking Unit Sales Agreement, or Disclosure Statement, Declarant shall be deemed to have made no representation or warranty of any kind regarding the existence of (or changes to the level of) noise, noise transmission, light, air or view benefitting or hampering the Unit or the Condominium in general. Each

Unit Owner acknowledges that the Declarant shall have no liability for changes to the current level of noise, light, air or view affecting the Unit due to changes in adjacent street traffic, adjoining properties and/or future developments.

17.8 Declarant's Disclosures

Declarant has provided/will provide a Disclosure Statement to all prospective purchasers of Units from Declarant. The Disclosure Statement and the professional inspection reports attached to it are for the benefit of and reliance only by direct purchasers of Units from Declarant only. Subsequent purchasers of Units have no relationship to Declarant in estate or contractually, and, as such, cannot rely on any statements in the Disclosure Statement or the attachments thereto. All subsequent purchasers should conduct their own full investigations of the Units and common elements of the Condominium.

ARTICLE 18. Severability

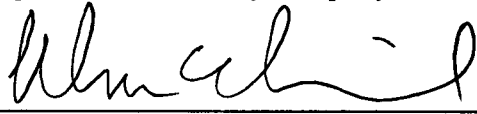
Each provision of this Declaration and the Bylaws shall be deemed independent and severable, and the validity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision of this Declaration or the Bylaws.

ARTICLE 19. Applicability

Each Unit Owner, including Declarant as to any unsold Unit, shall be subject to all the rights and duties assigned to Unit Owners under the terms of this Declaration and the Bylaws. FMSG, Part XII, 609.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the day and year first set forth above.

FOUR SEASONS DEVELOPMENT, LLC,
an Oregon limited liability company

By: 

Alan E. Kinsel, Jr., Member

By: 

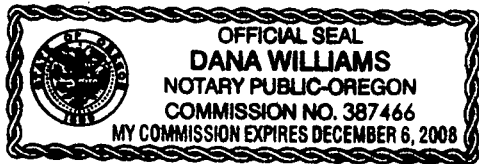
Jamsheed Ameri, Member

[Acknowledgments follow]

STATE OF OREGON

County of Clackamas) ss.

This instrument was acknowledged before me on the 1st day of September, 2005 by Alan E. Kinsel as Member of FOUR SEASONS DEVELOPMENT, LLC.

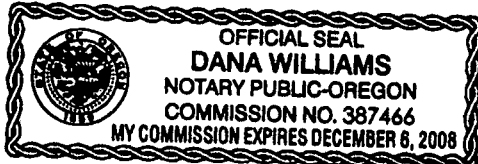


Dana Williams
Notary Public for Oregon
My Commission Expires: 12-6-08

STATE OF OREGON

County of Clackamas) ss.

This instrument was acknowledged before me on the 1st day of September, 2005 by Jamsheed Ameri as Member of FOUR SEASONS DEVELOPMENT, LLC.



Dana Williams
Notary Public for Oregon
My Commission Expires: 12-6-08

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

SCOTT W. TAYLOR
Real Estate Commissioner

By: [Signature]

The foregoing Declaration is approved pursuant to ORS 100.110, this 14th day of October 2005.

Multnomah County Assessor

By: [Signature]

EXHIBIT A

LEGAL DESCRIPTION

That tract of land described in Document No. 2004-205139, Multnomah County deed records, being a portion of Block "X", Carters Addition to the City of Portland, situated in the Northeast one-quarter of Section 4, Township 1 South, 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, being a 2" iron pipe found at the Northwest corner of said tract, also being a point on the Southwesterly right-of-way line of SW Columbia Street (60 feet wide), said point bears North 69°59'57" West a distance of 297.58 feet from a 5/8" iron rod found at the Northeast corner of "Clayborn Condominium"; thence South 69°59'57" East along the Northeasterly line of said Document No. 2004-205139 tract and along said Southwesterly right-of-way line a distance of 183.79 feet to the Northeast corner of said Document No. 2004-205139 tract and the Westerly line of Clayborn Condominium; thence along the Easterly line of said Document No. 2004-205139 tract and along the Westerly line of Clayborn Condominium the following courses:

South 24°51'50" East a distance of 5.66 feet; South 19°52'14" West a distance of 54.58 feet; North 89°22'03" West a distance of 35.68 feet; South 20°03'06" West a distance of 84.50 feet; South 69°25'38" East a distance of 13.50 feet; South 19°20'28" West a distance of 5.92 feet; South 70°12'04" East a distance of 14.00 feet; South 21°45'31" West a distance of 6.00 feet; North 69°46'50" West a distance of 6.00 feet; South 20°01'11" West a distance of 28.00 feet; South 69°57'21" East a distance of 12.00 feet; and South 19°45'12" West a distance of 5.11 feet to the Northeasterly right-of-way line of SW Clay Street (60.00 feet wide);

Thence North 70°00'00" West along said Northeasterly right-of-way line and along the Southwesterly line of said Document No. 2004-205139 tract a distance of 190.00 feet to the Southwest corner thereof; thence along the Westerly line of said Document No. 2004-205139 tract the following courses:

North 19°59'55" East a distance of 100.01 feet; North 69°59'57" West a distance of 3.32 feet; North 20°00'03" East a distance of 63.17 feet; South 69°59'57" East a distance of 5.75 feet; and North 20°00'03" East a distance of 36.83 feet to the initial point.

**EXHIBIT B
UNITS
(Description and Ownership Interest)**

Dwelling Unit #	Size - Sq. Ft.	Description	Ownership
101	779	Two Bedroom/Two Bath	1.5760%
102	897	Two Bedroom/Two Bath	1.8147%
103	909	Two Bedroom/Two Bath	1.8390%
104	909	Two Bedroom/Two Bath	1.8390%
105	909	Two Bedroom/Two Bath	1.8390%
106	909	Two Bedroom/Two Bath	1.8390%
107	897	Two Bedroom/Two Bath	1.8147%
108	579	One Bedroom/One Bath	1.1713%
109	584	One Bedroom/One Bath	1.1815%
110	779	Two Bedroom/Two Bath	1.5760%
111	779	Two Bedroom/Two Bath	1.5760%
112	779	Two Bedroom/Two Bath	1.5760%
130	582	One Bedroom/One Bath	1.1774%
131	579	One Bedroom/One Bath	1.1713%
132	581	One Bedroom/One Bath	1.1754%
133	574	One Bedroom/One Bath	1.1612%
134	582	One Bedroom/One Bath	1.1774%
135	622	One Bedroom/One Bath	1.2583%
136	830	Two Bedroom/Two Bath	1.6791%
137	778	Two Bedroom/Two Bath	1.5739%
138	853	One-Bedroom/One-Bath	1.7257%
201	683	One Bedroom/One Bath Town Home(TH)	1.3817%
202	773	One Bedroom/One Bath TH	1.5638%
203	897	Two Bedroom/Two Bath	1.8147%
204	899	Two Bedroom/1.5 Bath TH	1.8187%
205	907	Two Bedroom/1.5Bath TH	1.8349%
206	907	Two Bedroom/1.5 Bath TH	1.8349%
207	899	Two Bedroom/1.5 Bath TH	1.8187%
208	907	Two Bedroom/1.5 Bath TH	1.8349%
209	899	Two Bedroom/1.5 Bath TH	1.8187%
210	899	Two Bedroom/1.5 Bath TH	1.8187%
211	907	Two Bedroom/1.5 Bath TH	1.8349%
212	897	Two Bedroom/Two Bath	1.8147%
213	773	One Bedroom/One BathTH	1.5638%
214	734	One Bedroom/One Bath TH	1.4849%
215	773	One Bedroom/One Bath TH	1.5638%
216	773	One Bedroom/One Bath TH	1.5638%
217	734	One Bedroom/One Bath TH	1.4849%
218	779	Two Bedroom/Two Bath	1.5760%
219	779	Two Bedroom/Two Bath	1.5760%
229	582	One Bedroom/One Bath	1.1774%

Dwelling Unit #	Size - Sq. Ft.	Description	Ownership
230	579	One Bedroom/One Bath	1.1713%
231	770	One Bedroom/One Bath TH	1.5578%
232	772	One Bedroom/One Bath TH	1.5618%
233	683	One Bedroom/One Bath TH	1.3817%
234	780	One Bedroom/One Bath TH	1.5780%
235	862	One Bedroom/One Bath TH	1.7439%
236	767	One Bedroom/One Bath TH	1.5517%
237	830	Two Bedroom/Two Bath	1.6791%
238	773	One Bedroom/One Bath TH	1.5638%
239	773	One Bedroom/One Bath TH	1.5638%
240	885	One-Bedroom/OneBath	1.7904%
301	841	Two Bedroom/Two Bath	1.7014%
302	841	Two Bedroom/Two Bath	1.7014%
303	734	One Bedroom/One Bath TH	1.4849%
304	773	One Bedroom/One Bath TH	1.5638%
305	773	One Bedroom/One Bath TH	1.5638%
306	734	One Bedroom/One Bath TH	1.4849%
322	773	One Bedroom/One Bath TH	1.5638%
323	773	One Bedroom/One Bath TH	1.5638%
324	681	One Bedroom/One Bath TH	1.3777%
325	830	Two Bedroom/Two Bath	1.6791%
Total	<u>48,318</u>		<u>97.7500%</u>

EXHIBIT C
ALLOCATION OF LIMITED COMMON ELEMENTS

Unit #	Storage Space	Deck	Parking Space
101	1		77
102	2		78
103	3	Deck/ Unit 103	79
104	4	Deck/ Unit 104	80
105	5		81
106	6		82
107	7		83
108	8		39
109	9		40
110	10		84
201	11	Deck/ Unit 201	98
202	12		59
203	13		85
204	14	Deck/ Unit 204	86
205	15	Deck/ Unit 205	87
206	16	Deck/ Unit 206	88
207	17	Deck/Unit 207	89
208	18		90
209	19		91
210	20		92
211	21		93
212	22		109
213	23		74
214	24		73
215	25		72
216	26		71
217	27		70
301	28		108
302	29		107
111	30		106
112	31		105
218	32		104
219	33		103
303	34		69
304	35		68
305	36		67
306	37		66
130	38		41

Unit #	Storage Space	Deck	Parking Space
131	39		42
132	40		43
133	41		44
229	42		45
230	43		46
231	44		65
232	45		64
233	46	Deck/ Unit 233	63
322	47		62
323	48		61
324	49		60
134	50		47
135	51		75
137	52		102
234	53	Deck/ Unit 234	76
235	54		97
236	55	Deck/ Unit 236	96
238	56		95
239	57		94
136	58		101
237	59		100
325	60		99
138	None		48
240	None		49

Parking Unit #	Location	Ownership
1	Lower Level of Parking Garage	0.0479%
2	Lower Level of Parking Garage	0.0479%
3	Lower Level of Parking Garage	0.0479%
4	Lower Level of Parking Garage	0.0479%
5	Lower Level of Parking Garage	0.0479%
6	Lower Level of Parking Garage	0.0479%
7	Lower Level of Parking Garage	0.0479%
8	Lower Level of Parking Garage	0.0479%
9	Lower Level of Parking Garage	0.0479%
10	Lower Level of Parking Garage	0.0479%
11	Lower Level of Parking Garage	0.0479%
12	Lower Level of Parking Garage	0.0479%
13	Lower Level of Parking Garage	0.0479%
14	Lower Level of Parking Garage	0.0479%
15	Lower Level of Parking Garage	0.0479%
16	Lower Level of Parking Garage	0.0479%
17	Lower Level of Parking Garage	0.0479%

Parkin Unit #	Location	Ownership
18	Lower Level of Parking Garage	0.0479%
19	Lower Level of Parking Garage	0.0479%
20	Lower Level of Parking Garage	0.0479%
21	Lower Level of Parking Garage	0.0479%
22	Lower Level of Parking Garage	0.0479%
23	Lower Level of Parking Garage	0.0479%
24	Lower Level of Parking Garage	0.0479%
25	Lower Level of Parking Garage	0.0479%
26	Lower Level of Parking Garage	0.0479%
27	Lower Level of Parking Garage	0.0479%
28	Lower Level of Parking Garage	0.0479%
29	Lower Level of Parking Garage	0.0479%
30	Lower Level of Parking Garage	0.0479%
31	Lower Level of Parking Garage	0.0479%
32	Lower Level of Parking Garage	0.0479%
33	Lower Level of Parking Garage	0.0479%
34	Lower Level of Parking Garage	0.0479%
35	Lower Level of Parking Garage	0.0479%
36	Lower Level of Parking Garage	0.0479%
37	Lower Level of Parking Garage	0.0479%
38	Lower Level of Parking Garage	0.0479%
50	Upper Level of Parking Garage	0.0479%
51	Upper Level of Parking Garage	0.0479%
52	Upper Level of Parking Garage	0.0479%
53	Upper Level of Parking Garage	0.0479%
54	Upper Level of Parking Garage	0.0479%
55	Upper Level of Parking Garage	0.0479%
56	Upper Level of Parking Garage	0.0479%
57	Upper Level of Parking Garage	0.0479%
58	Upper Level of Parking Garage	0.0479%
Subtotal		<u>2.2500%</u>
Total Ownership		<u>100%</u>

EXHIBIT D

[attach Bylaws]

**BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF CLAY
STREET COMMONS, A CONDOMINIUM**

ARTICLE 1. Plan of Condominium Ownership

1.1 Name and Location

These are the BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF CLAY STREET COMMONS, A CONDOMINIUM (the "Association"). Clay Street Commons, a Condominium (the "Condominium") is located at 1535 S.W. Clay Street, in the City of Portland, Multnomah County, Oregon, and has been submitted to the Oregon Condominium Act by Declaration Submitting Clay Street Commons, a Condominium to Condominium Ownership, which is being recorded with the Multnomah County Recorder simultaneously with these Bylaws (the "Declaration"). The location of the Condominium is more specifically described in the Declaration.

1.2 Principal Office

The principal office of the Association will be located at 5335 SW Meadows Road, Suite 190, Lake Oswego, Oregon 97035, or such other address as may be designated by the Board of Directors (the "Board") from time to time.

1.3 Purposes

The Association is formed under the provisions of the Oregon Condominium Act ORS Chapter 100 (the "Act") to serve as the means through which the Unit Owners may take action with regard to the administration, management and operation of the Condominium.

1.4 Applicability of Bylaws

The Association, all Unit Owners, and all persons using the Condominium property will be subject to these Bylaws and to all rules and regulations that may be adopted pursuant to these Bylaws.

1.5 Composition of Association

The Association will be composed of all the Dwelling Unit Owners and Parking Unit Owners (both, "Unit Owners") of the Condominium, initially including Four Seasons Development, LLC, an Oregon limited liability company as the declarant of the Condominium ("Declarant"), and its successors and assigns, and the Association, itself, to the extent any of these own any Unit or Units of the Condominium.

1.6 Incorporation

The Association will be incorporated under the Oregon Non-Profit Corporation Law, ORS Chapter 65. The Articles of Incorporation of the Association will be consistent with the Declaration and these Bylaws, and these Bylaws will constitute the Bylaws of the incorporated Association.

1.7 Definitions

The definitions contained in or adopted by the Declaration will be applicable to these Bylaws. Capitalized terms are defined terms as defined in the Declaration.

ARTICLE 2. Association

2.1 Place of Meetings

The Association will hold meetings at such suitable place convenient to the Unit Owners as may be designated by the Board from time to time.

2.2 Transitional Meeting and Turnover Meeting

Unless the Turnover Meeting (as defined below) has been held, within sixty (60) days of conveyance to persons other than Declarant of fifty percent (50%) of the Dwelling Units, the Declarant shall call a transitional meeting ("Transitional Meeting") of the Unit Owners for the purpose of forming a transitional committee. The Declarant shall give notice of the meeting to each Unit Owner at least seven (7) but not more than fifty (50) days prior to the meeting. The transitional committee shall consist of two (2) or more Unit Owners selected by a majority of the Unit Owners entitled to vote on the matter. The transitional committee members shall serve until the Turnover Meeting. ORS 100.205. Within three (3) years after the date of conveyance of the first Unit to a person other than Declarant, or within ninety (90) days after Declarant has sold and conveyed seventy-five percent (75%) or more of the total sixty-two (62) Dwelling Units in the Condominium, or forty-seven (47) Dwelling Units, whichever is earlier, Declarant will call a meeting of the Unit Owners to elect Directors and turnover the control of the Association reserved by the Declarant under Section 14.4 of the Declaration ("Turnover Meeting"). ORS 100.210(1). Notice of such meeting will be given to all Unit Owners as provided in Section 2.5. If Declarant fails to call the meeting, the meeting may be called and notice given by any Unit Owner or Mortgagee of a Unit. The expense of giving notice will be paid or reimbursed by the Association. At the meeting, Declarant will deliver to the Association such information and documents as may be required by the Act, including but not limited to ORS 100.210(5). Nothing in this Section 2.2 will be construed as preventing Declarant from calling the either the Transitional Meeting or the Turnover Meeting prior to such date, or from calling informal, informational meetings of the Unit Owners prior to the dates set forth herein. [**Fannie Mae Single Family Selling Guide ("FMSG"), Part XII, 607**].

2.3 Annual Meetings

The annual meeting of the Association will be held in the month of January at such reasonable hour and on such date as the Chairperson of the Board may designate, or if the Chairperson should fail to designate such date by the first day of February, then on the last Tuesday in February. The annual meeting will be for the purpose of electing Directors and for the transaction of such other business as may properly come before the meeting.

2.4 Special Meetings

Special meetings of the Association may be called by (a) the Chairperson, or (b) a majority of the Board, and must be called by the Chairperson upon receipt of a written

request signed by at least thirty percent (30%) of the holders of all votes entitled to be cast on any issue proposed to be considered at the proposed special meeting. In all cases, the notice of a special meeting shall state the purpose of the meeting. Business transacted at a special meeting will be limited to the purposes stated in the notice. **[ORS 100.407 (2)]**

2.5 Notice of Meetings

Notice of all meetings of the Association stating the time and place of the meeting and the items on the agenda, including, but not limited to, the general nature of any proposed amendment to the Declaration and Bylaws, any budget changes or any proposal to remove a Director or Officer of the Association, will be given by the Chairperson or Secretary. Such notice will be in writing and hand delivered or mailed to the mailing address of each Unit or to the mailing address designated in writing by the Unit Owner (and to any first Mortgagee requesting such notice) not less than ten (10) days or more than fifty (50) days before the date of the meeting. Proof of such mailing will be given by the affidavit of the person giving the notice. Notice of a meeting may be waived by any Unit Owner before or after the meeting. When a meeting is adjourned for less than thirty (30) days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

2.6 Voting

For matters on which the Unit Owner is entitled to vote as provided in the Declaration or elsewhere in these Bylaws, each Unit Owner will have one (1) vote for each Unit owned by such Unit Owner; provided, however, if there are multiple owners of a single Unit, they together shall have one vote for the Unit, unless a valid court order establishes the authority of a co-owner to vote. Each Parking Unit Owner shall be entitled to one (1) vote in the affairs of the Association relating directly and primarily to the Parking Garage or the Parking Units. Declarant will be entitled to vote as the Unit Owner of any then existing Units retained by Declarant, and the Board will be entitled to vote on behalf of any Unit that has been acquired by or on behalf of the Association; provided, however, that the Board will not be entitled to vote such Units in any election of Directors. **[ORS 100.525]**

2.7 Proxies

A vote may be cast in person, by absentee ballot or by proxy. A proxy given by a Unit Owner to any person who represents such owner at meetings of the Association shall be in writing and signed by such Unit Owner, and shall be filed with the Secretary at any time prior to the meeting. A Unit Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over the meeting of the Association. 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 presence of a Unit Owner at a meeting will automatically revoke such Unit Owner's proxy for all matters that come before the meeting while the owner is present. No proxy will be valid after the meeting for which it was given, unless otherwise expressly stated in the proxy, and every proxy will automatically cease upon sale of the affected Unit by its

owner. A Unit Owner may pledge or assign such owner's voting rights to a mortgagee. In such a case, the Mortgagee or its designated representative will be entitled to receive all notices to which the Unit Owner is entitled under these Bylaws and to exercise the Unit Owner's voting rights from and after the time that the Mortgagee shall give written notice of such pledge or assignment to the Board. Any first Mortgagee may designate a representative to attend all or any meetings of the Association.

2.8 Fiduciaries and Joint Owners

An executor, administrator, guardian or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any Unit owned or held in such capacity, whether or not the same will have been transferred to his or her name; provided that such person will satisfy the Secretary that he or she is the executor, administrator, guardian or trustee, holding such Unit in such capacity. Whenever any Unit is owned by two or more persons jointly, according to the records of the Association, the vote or proxy of such Unit may be exercised by any one of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner will be entitled to vote without the approval of all co-owners. If there is disagreement among the co-owners, the vote of such Unit will be disregarded completely in determining the proportion of votes given with respect to such matter. [ORS 100.525(a), (b)]

2.9 Tenants and Contract Vendors

Unless otherwise expressly stated in the rental agreement or lease, all voting rights allocated to a Unit shall be exercised by the owner/landlord. Unless otherwise stated in the land sale contract, all voting rights allocated to a Unit shall be exercised by the vendee of any recorded land sale contract on the Unit.

2.10 Quorum of Unit Owners

At any meeting of the Association, the holders of fifty percent (50%) of the votes entitled to be cast, present in person or by proxy at the beginning of the meeting will constitute a quorum. The subsequent joinder of a Unit Owner in the action taken at a meeting by signing and concurring in the minutes of the meeting will constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a Unit Owner or owners. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.11 Majority Vote

The vote of the holders of more than fifty percent (50%) of the votes entitled to be cast, present in person or by proxy at a meeting at which a quorum is constituted, will be binding on all Unit Owners for all purposes except where a higher percentage vote is required by the Act, by the Declaration or by these Bylaws.

2.12 Order of Business; Rules of Order

The order of business at annual meetings of the Association will be

- (a) calling of the roll and certifying of proxies;
- (b) proof of notice of meeting or waiver of notice;
- (c) reading of minutes of preceding meeting;
- (d) reports of officers;
- (e) reports of committees, if any;
- (f) election of Directors;
- (g) unfinished business;
- (h) new business; and
- (i) adjournment.

Meetings of the Association and of the Board shall be conducted according to the latest edition of Robert's Rules of Order, published by Robert's Rules Association. A decision of the Association or the Board may not be challenged because the appropriate rules or order were not used unless a person entitled to be heard was denied the right to be heard and raised an objection to such at the meeting in which the right to be heard was denied. A decision of the Association and the Board shall be deemed valid without regard to procedural errors related to the rules of order one year after the decision is made unless the error appears on the face of a written instrument memorializing the decision. **[ORS 100.409]**

2.13 Ballot Meetings

At the discretion of the Board, any action that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Unit Owner who is entitled to vote on the matter. The written ballot will set forth each proposed action and provide an opportunity to vote for or against each proposed action. The Board will provide Unit Owners entitled to vote on the matter with at least ten (10) days notice before written ballots are mailed or otherwise 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 Unit Owners entitled to vote on the matter petition the Board requesting secrecy procedures, a written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the Unit Owner and instructions for marking and returning the ballot. If approval of a proposed action would otherwise require a meeting at which a certain quorum must be present and at which a certain percentage of total votes cast is required to authorize the action, the proposal will be deemed to be approved when the date for return of ballots has passed, a quorum of Unit Owners has voted and the required percentage of approving votes has been received. Otherwise, the proposal will be deemed to be rejected. If approval of a proposed action otherwise would require a meeting at which a specified percentage of Unit Owners must authorize the action, the proposal will be deemed to be approved when the percentage of total votes cast in favor of the proposal equals or exceeds such required percentage. The proposal will be deemed to be 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. Provided secrecy procedures have not been invoked, 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. Notwithstanding the foregoing, written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed. All solicitations for votes by written ballot will state the number of responses needed to meet any applicable quorum requirement and the total percentage of votes needed for approval. All such solicitations for votes will specify the period during which the Association will accept written ballots for counting, which period will end on the earliest of: (a) the date on which the Association has received a sufficient number of approving ballots to pass the proposal, (b) the date on which the Association has received a sufficient number of disapproving ballots to render the proposal impossible to pass, and (c) a date certain on which all ballots must be returned to be counted. A written ballot may not be revoked. [ORS 100.425]

2.14 Powers of Association

Subject to the provisions of the Declaration and these Bylaws, the Association may: (a) adopt and amend Bylaws and rules and regulations; (b) adopt and amend budgets for revenue, expenditures and reserves and levy and collect assessments for Common Expenses from Unit Owners; (c) hire and terminate managing agents and other employees, agents and independent contractors; (d) defend against any claims, proceedings or actions brought against it; (e) subject to the dispute resolution requirements of ORS 100.405(11), initiate or intervene in litigation or administrative proceedings in its own name, and without joining the individual Unit Owners, in the matters listed in ORS 100.405(4)(e); subject to the requirement of first notification of the affected Unit Owner in a proceeding under ORS 100.405(4)(e)(E); (f) make contracts and incur liabilities; (g) regulate the use, maintenance, repair, replacement and modification of Common Elements, (h) cause additional improvements to be made as part of the Common Elements; (i) acquire by purchase, lease, devise, gift or voluntary grant real or personal property or any interest therein and take, hold and possess and dispose of real or personal property or any interest therein; (j) impose and receive payments, fees or charges for the use, rental or operation of the Common Elements; (k) impose charges for late payments of assessments, attorneys fees for collection of assessments and, after giving notice and an opportunity to be heard, levy reasonable fines for violation of the Declaration, Bylaws and rules and regulations of the Association if the charge imposed is based on a schedule contained in the Declaration or these Bylaws, or an amendment to either that is delivered or mailed to each Unit or such address designated in writing by a Unit Owner, or based on a resolution adopted by the Board that is delivered or mailed to each Unit or such address designated in writing by a Unit Owner; (l) 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 Unit Owners to receive such benefits or services until the correction of any violation covered by such rule has occurred; (m) impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of assessments; (n) assign its right to future income, including the right to receive Common Expense assessments; (o) provide for the indemnification of its officers and executive Board as allowed by law and maintain Directors' and officers' insurance; (p) exercise any other powers conferred by the Declaration or Bylaws; (q) exercise all other powers that may be exercised in Oregon by such an association;

and (r) exercise any other powers determined by the Association to be necessary and proper for the governance and operation of the Association. [ORS 100.405]

ARTICLE 3. Board of Directors

3.1 Number and Qualification

The affairs of the Association will be governed by a Board of Directors initially composed of two (2) interim Directors and, after the turnover, three (3) to five (5) regular Directors, as provided in Sections 3.2 and 3.4. All Directors, other than the interim Directors appointed by Declarant, will be owners or co-owners of Dwelling Units. For purposes of this Section 3.1, the officers of any corporate owner, the members of any limited liability company, and the partners of any partnership will be considered co-owners of any Units owned by such corporation, llc or partnership.

3.2 Interim Directors

Upon the recording of the Declaration submitting the Condominium to the Act, Declarant will appoint an interim Board of two (2) Directors, who will serve until replaced by Declarant or until his successors have been elected by the Unit Owners as provided below. An interim Director may be a principal or employee of Declarant.

3.3 Transitional Committee

Unless the organizational and turnover meeting described in Section 2.2 has already been held, Declarant shall call a meeting of the Unit Owners for the purpose of forming a transitional committee. The meeting shall be called within sixty (60) days of conveyance to persons other than Declarant of fifty percent (50%) of the Units. Declarant will give notice of the meeting as provided in Section 2.5. If the meeting required pursuant to this Section is not called by Declarant within the time frame provided herein, the meeting may be called and notice given by any Unit Owner. The committee will consist of two or more members elected by the Unit Owners other than Declarant and not more than one representative of Declarant. The members will serve until the turnover meeting. The transitional committee will be advisory only; its purpose is to enable ease of transition from control of the administration of the Association by Declarant to control by the Unit Owners. The committee will have access to the information, documents and records that Declarant must turn over to the Unit Owners at the time of the organizational and turnover meeting. [ORS 100.205].

3.4 Election and Term of Office

At the first organizational and turnover meeting called by Declarant pursuant to Section 2.2, the interim Directors will resign and three (3) successors will be elected by Unit Owners entitled to vote on the election of Directors, one to serve until the next annual meeting and two to serve until the second annual meeting after their election. Thereafter, at the expiration of the initial term of office of each respective Director, his or her successor will be elected by Unit Owners entitled to vote on the election of Directors to serve for a term of two (2) years, so that the term of not less than one-third of the Directors will expire annually. Directors will hold office until their respective successors have been elected by the

Unit Owners entitled to vote on the election of Directors. Election will be by plurality, as opposed to a majority, that is the largest vote recipient wins, even if his/her vote percentage is less than fifty percent (50%). Upon a majority vote of the membership entitled to vote on the election of Directors and present in person or by proxy at a meeting called for such purpose, the number of Directors may be increased to five (5) Directors. Upon such increase, two additional Directors will be elected, one to serve until the next annual meeting and the other to serve until the second annual meeting after their election. Thereafter, each successor will be elected to serve for a two-year term.

3.5 Vacancies

Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association will be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, or by a sole remaining Director. Each person so elected will be a Director until a successor is elected to fill the unexpired term at the next annual meeting of the Association or the next special meeting of the Association called for that purpose. Vacancies in interim Directors will be filled by Declarant.

3.6 Removal of Directors

At any regular or special meeting of the Association duly called and at which a quorum of Unit Owners entitled to vote on the election of Directors is present, any one or more of the Directors, other than the interim Directors appointed by the Declarant or ex officio Directors, may be removed with or without cause by a majority vote in person or by proxy of all Unit Owners present and entitled to vote on the election of Directors, and a successor shall be elected at that meeting to fill the vacancy thus created. The notice of any such meeting shall state, as an item on the meeting agenda, that such removal is to be considered, and any Director whose removal has been proposed shall be given an opportunity to be heard at that meeting. [ORS 100.417(8)]

3.7 Powers and Duties

The Board will have all the powers and duties necessary to administer the affairs of the Association, except such powers and duties as by law or by the Declaration or by these Bylaws may not be delegated to the Board by the Unit Owners, and are retained by Unit Owners. The powers and duties to be exercised by the Board will include, but will not be limited to, the following:

(a) Operation, care, upkeep, maintenance, repair and replacement of the General and Limited Common Elements and Association property.

(b) Determination of the amounts required for operation, maintenance and other affairs of the Association and making of such expenditures.

(c) Adoption of a budget for the Association, and assessment and collection of the Common Expenses.

(d) Employment and dismissal of such personnel as necessary for the efficient maintenance, upkeep and repair of the Common Elements.

(e) Employment of legal, accounting or other personnel for reasonable compensation to perform such services as may be required for the proper administration of the Association; provided, however, that the Board may not incur or commit the Association to incur legal fees or costs in excess of Two Thousand Dollars (\$2,000) for any specific matter unless Unit Owners holding at least seventy-five percent (75%) of the voting rights entitled to be cast on the matter present in person or by proxy at a meeting at which a quorum is constituted have enacted a resolution authorizing such expenditure. This limitation will not be applicable to legal fees incurred in defending the Association and the Board from claims or litigation brought against them. The Two Thousand Dollar (\$2,000) limitation set forth in this Section 3.7(e) will increase by Twenty Percent (20%) on each fifth anniversary of the recording of the Declaration.

(f) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.

(g) Preparing and filing or causing to be prepared and filed at least annually any required income tax returns or forms for the Association, which is a mandatory requirement imposed by ORS 100.417 (4).

(h) Purchasing Units of the Condominium at foreclosure or other judicial sales in the name of the Association, or its designee, on behalf of all the Unit Owners as provided in these Bylaws.

(i) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of Directors) or otherwise dealing with Units acquired by the Association or its designee on behalf of all the Unit Owners.

(j) Obtaining insurance or bonds pursuant to the provisions of these Bylaws.

(k) Making additions and improvements to, or alterations of, the Common Elements; provided, however, that no such project may be undertaken by the Board if the total cost will exceed the amount of Ten Thousand Dollars (\$10,000) in any calendar year unless Unit Owners holding at least seventy-five percent (75%) of the voting rights entitled to be cast on the matter present in person or by proxy at a meeting at which a quorum is constituted have enacted a resolution authorizing such expenditure. This limitation will not be applicable to maintenance, repairs or replacement undertaken pursuant to Section 3.7(a). The limitation set forth in this Section 3.7(k) will increase by Twenty Percent (20%) on each fifth anniversary of the recording of the Declaration.

(l) Modifying, closing, removing, eliminating or discontinuing the use of a General Common Element facility or improvement or portion of the Common Element landscaping; provided, however, that such power is subject to the provisions of ORS 100.405 (9) (b) requiring approval by a majority of Unit Owners entitled to vote on the matter in the case of a modification, closure, removal, elimination, or discontinuance, other than on a temporary basis, of any swimming pool, spa, or recreation or community building.

(m) Designating one or more committees that, to the extent provided in the resolution designating the committee, will have powers of the Board in the management of

the Association's affairs. At least one member of each committee will be a member of the Board.

(n) Enforcement by legal means of the provisions of the Act, the Declaration, these Bylaws, and any rules and regulations adopted hereunder against Unit Owners.

(o) The filing of an Annual Report and any amendment in accordance with ORS 100.250(1)(b) and (c). **[ORS 100.417]**

3.8 Management Agent or Manager

On behalf of the Association, the Board may employ or contract for a managing agent or a Manager at a compensation to be established by the Board. Any such management relationship (whether reflected in an agreement or not) shall be terminable by the Association upon not more than ninety (90) days' written notice thereof and shall not require the payment of any penalty for termination. The Board may delegate to the management agent or Manager such duties and powers as the Board may authorize. Absent such appointment, the Board will act as Manager; provided, however, that the Board may not terminate professional management and assume self-management unless the decision to do so is approved by Unit Owners holding at least seventy-five percent (75%) of the voting rights entitled to be cast on the matter. Note that if the Manager does more than manage the affairs of the Association, such as general property management, i.e. contracting with individual Unit Owners to manage or lease their Units, then the Manager must be licensed by the Oregon Real Estate Agency. **[FMSG, Part XII, 606.01] [ORS 100.485]**

3.9 Contracts Entered Into by Declarant or Interim Board

Notwithstanding any other provision of these Bylaws, any leases or contracts (including management contracts, service contracts and employment contracts) entered into by Declarant or the interim Board on behalf of the Association will have a term not in excess of three (3) years. In addition, any such lease or contract will provide that it may be terminated without cause or penalty by the Association or Board upon not less than thirty (30) days' notice to the other party given at any time after election of the permanent Board at the organizational and turnover meeting described in Section 2.2. **[ORS §100.485(1)]**

3.10 Organizational Meeting

Within fourteen (14) days after the annual meeting of the Association or following any meeting at which an election of Directors has been held, the Board (replacing the Interim Directors) will hold an organizational meeting at such place and time as will have been fixed by the Directors at the meeting at which the election was held.

3.11 Regular and Special Meetings

Regular meetings of the Board may be held at such time and place as will be determined, from time to time, by a majority of the Directors. Special meetings of the Board may be called by the Chairperson and must be called by the Secretary at the written request of at least two Directors. Notice of any special meeting will be given to each Director, personally or by mail, telephone, facsimile or, if the Director specifically requests, by e-mail

at least seven (7) days before the day named for the meeting, and will state the time, place and purpose of such meeting.

3.12 Open Meetings; Posting Notice

All meetings of the Board will be open to Unit Owners except that, in the discretion of the Board, the following matters may be considered in executive (that is, closed) session: (a) consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation, or criminal matters; (b) personnel matters, including salary negotiations and employee discipline; and (c) the negotiation of contracts with third parties. Except in the case of emergency, the Board of the Association shall vote in an open meeting whether to meet in executive session. If the Board votes to meet in executive session, the presiding officer of the Board shall state the general nature of the action to be considered and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to owners. Board meetings may be conducted by telephone or web simulcast, except that if a majority of the Dwelling Units are principal residences of the occupants, then: (a) for other than emergency meetings, notice of each Board' meeting will be posted at a place or places on the property at least three (3) days prior to the meeting, or notice will be provided by a method otherwise reasonably calculated to inform the Unit Owners of such meeting; and (b) only emergency meetings of the Board may be conducted by telephone or web simulcast. The meeting and notice requirements of this section may not be circumvented by chance or social meetings or by any other means. **[ORS 100.420 (1)(b)]**

3.13 Waiver of Notice

Any Director may, at any time, waive notice of any meeting of the Board in writing, and such waiver will be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board will constitute a waiver of notice of such Director, except where the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all the Directors are present at any meeting of the Board and none objects, no notice to Directors will be required and any business may be transacted at such meeting.

3.14 Quorum of Board of Directors

At all meetings of the Board, a majority of the Directors will constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present will constitute the decision of the Board. If at any meeting of the Board less than a quorum is present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice to Directors.

3.15 Compensation

No Director will receive any compensation from the Association for acting as Director, but may be reimbursed his/her actual out of pocket expenses to the extent incurred in furtherance of the Association's purposes, provided that any expense in excess of One Hundred Dollars (\$100) must be pre-approved.

3.16 Liability and Indemnification of Directors, Officers, Manager or Managing Agent

In the performance of their duties, Officers and members of the Board shall discharge their duties (a) in good faith (“Good Faith”); (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances (“Due Care”); and (c) in a manner the Officer or Director reasonably believes to be in the best interests of the Association (“Best Interests”). In discharging their duties, Directors may rely on information, opinions, reports or statements prepared and presented by: (a) one or more Officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matter presented, (b) legal counsel, public accountants, architects, engineers, reserve study consultants, licensed building inspectors or other persons as to matters the Director reasonably believes are within the person’s professional or expert competence, or (c) a committee of the Board of which the Director is not a member, as to matters within its jurisdiction, if the Director reasonably believes the committee merits confidence. A member of the Board or an Officer of the Association will not be liable to the Association or any member thereof for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, except for acts of gross negligence, intentional acts in contravention of the Declaration or Bylaws, or acts which fall short of the Due Care, Good Faith and/or Best Interests tests. If any member of the Board or any Officer of the Association is made a party to any proceeding because the individual is or was a Director or officer of the Association, then the Association will indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

3.17 Insurance

The Board will obtain the insurance and fidelity bonds required in Article 8. At least annually, the Board shall review the insurance coverages of the Association. In addition, the Board, in its discretion, may obtain such other insurance as it deems necessary to protect the interests of the Association or Unit Owners.

ARTICLE 4. Officers

4.1 Designation

The principal officers of the Association shall be the Chairperson, the Secretary and the Treasurer, all of whom will be elected by the Board. The Directors may appoint such other officers as in their judgment may be necessary. The Chairperson will be a member of the Board, but the other officers need not be Directors.

4.2 Election of Officers

The officers of the Association shall be elected annually, by the Board at the organizational meeting of each new Board and will hold office at the pleasure of the Board. If any office shall become vacant, the Board will elect a successor to fill the unexpired term at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

4.3 Removal of Officers

On the affirmative vote of a majority of the Directors, any officer may be removed either with or without cause, and a successor may be elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose. Any Officer whose removal has been proposed shall be given an opportunity to be heard at such meeting.

4.4 Chairperson

The Chairperson will be the chief executive officer of the Association. He or she will preside at all meetings of the Association and of the Board. The Chairperson will have all the general powers and duties that are usually vested in the chief executive officer of an association, including, but not limited to, the power to appoint committees from among the Unit Owners as appropriate to assist in the conduct of the Association's affairs.

4.5 Secretary

The Secretary will keep the minutes of all proceedings of the Board and the minutes of all meetings of the Association. He or she will attend to the giving and serving of all notices to the Unit Owners and Directors and other notices required by law. The Secretary will keep the records of the Association, except for those of the Treasurer, and will perform all other duties incident to the office of Secretary of an association and as may be required by the Board or the Chairperson. In addition, the Secretary will act as vice Chairperson, taking the place of the Chairperson and performing the Chairperson's duties if the Chairperson is absent or unable to act.

4.6 Treasurer

The Treasurer will be responsible for Association funds and securities and will keep full and accurate financial records and books of account showing all receipts and disbursements, and shall prepare all required financial statements. He or she will be responsible for the deposit of all moneys in such depositories as are designated by the Board, and will disburse funds of the Association on properly authorized vouchers. The Treasurer will perform all other duties incident to the office of the treasurer of an association and such other duties as may be assigned to him or her by the Board.

4.7 Execution of Instruments

All agreements, contracts, deeds, leases and other instruments of the Association, except checks, shall be executed by such person or persons designated by general or special resolution of the Board, and, absent any general or special resolution, such instrument may be signed by the Chairperson and, if involving a financial commitment in excess of Five Thousand Dollars (\$5,000), will additionally require the signature of the Secretary or Treasurer. All checks will be signed by the Treasurer or in the absence or disability of the Treasurer, by the Chairperson or a duly elected Assistant Treasurer.

4.8 Compensation of Officers

No officer who is a member of the Board will receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the Unit Owners. The Board may fix any compensation to be paid to any

officers who are not also Directors. All Officers may be reimbursed their actual out of pocket expenses to the extent incurred in furtherance of the Board' purposes, provided that any expense in excess of One Hundred Dollars (\$100) must be pre-approved.

ARTICLE 5. Budget, Expenses and Assessments

5.1 Budget

The Board will from time to time, and at least annually, prepare and adopt a budget for the Association, estimate the Common Expenses expected to be incurred, less any previous over-assessment, and assess the Common Expenses to each Dwelling Unit Owner on a monthly basis, and assess the Common Expenses to each Parking Unit Owners on a quarterly basis, all in the proportions set forth in the Declaration. The budget will provide for an adequate reserve fund, as provided in Section 5.5, for maintenance, repairs and replacement of those Common Elements that must be replaced on a periodic basis. Within thirty (30) days after adopting the annual budget, the Board shall provide a summary of the budget to all Unit Owners. If the Board fails to adopt an annual budget, the last adopted budget shall continue in effect. [ORS 100.412]

5.2 Determination of Common Expenses

Common Expenses will include:

- (a) expenses of administration, including management fees,
- (b) expenses of maintenance, repair or replacement of General Common Elements, and Association property or any other portions of the Condominium required to be maintained by the Association pursuant to the Declaration or these Bylaws [ORS 100.415(9)(a)],
- (c) cost of insurance and fidelity bonds obtained in accordance with these Bylaws,
- (d) a general operating reserve, including an amount sufficient to cover the deductible under the property casualty insurance policy,
- (e) reserve for replacements and deferred maintenance,
- (f) any deficit in Common Expenses described in this Section 5.2 for any prior period,
- (g) utilities for the General Common Elements and other utilities with a common meter or commonly billed, such as trash collection, water and sewer, and
- (h) any other items properly chargeable as an expense of the Association.

5.3 Assessment of Common Expenses

5.3.1 Obligation to Pay

All Unit Owners will pay Common Expenses assessed to them by the Board on behalf of the Association pursuant to these Bylaws and the Declaration. Assessments may not be waived due to limited use or nonuse of the Common Elements, and no Unit Owner may

offset amounts owing or claimed to be owing by the Association or Declarant to a Unit Owner against such Unit Owner's obligation to pay assessments. Subject to the provisions of Subsection 5.3.3, Declarant will be assessed as the Unit Owner of any unsold Unit, but such assessments will be prorated to the date of sale of the Unit. The Board, on behalf of the Association, will assess the Common Expenses against the Unit Owners from time to time (which shall be at least annually), and will take prompt action to collect from a Unit Owner any Common Expense due that remains unpaid for more than thirty (30) days from the due date for its payment. The Board may round assessments to the nearest dollar. [ORS 100.530(3)(a) and (5)]

5.3.2 Initial Working Capital Fund

Declarant will establish an initial working capital fund to meet unforeseen expenditures or to purchase any additional equipment or services. At the time of closing of the initial sale of each Unit, the purchaser will make an initial contribution to the working capital fund of the Association equal to (i) two (2) months' regular Association assessments for the purchase of a Dwelling Unit, and (ii) two (2) quarters' regular Association assessments for the purchase of a Parking Unit. At the time of the organizational and turnover meeting, Declarant will pay such contribution for all unsold Units, but may obtain reimbursement for such sums from the purchaser upon the sale of each such Unit. Such initial contribution will be in addition to the regular monthly Common Expenses assessment and will not be considered as an advance payment of regular assessments. The working capital fund will be transferred to the Association for deposit to a segregated fund at the time of the organizational and turnover meeting. Declarant may not use the working capital fund to defray any of Declarant's expenses, reserve contributions or construction costs or to make up any budget deficits while Declarant controls the Association. [FMSG, Part XII, 606.02]

5.3.3 Commencement of Regular Operating Expense Assessments

Regular monthly assessments for Common Expenses will begin on the date of the recording of the deed of the first sale of a Unit in the Condominium to persons other than the Declarant. The Declarant may elect to defer commencement of all or a part of Common Expense assessments as to all Units, but in no case more than sixty (60) days after the recording of the deed of the first Unit to a person other than Declarant, and except those assessments relating to replacement reserves as described in Section 5.5. If Declarant defers commencement of assessments, Declarant shall pay as they accrue and be responsible for all or such part of the Common Expenses and shall be required to give Unit Owners not less than ten (10) days' written notice prior to commencement of monthly Common Expense assessments. [ORS 100.530(5)] [FMSG, Part XII, 608.02]

5.3.4 Commencement of Assessment for Replacement Reserves

Regular monthly assessments for replacement reserves as described in Section 5.5 will begin on the date of conveyance of the first Unit in the Condominium; provided, however, that the Declarant may defer payment of accrued assessments for reserves required by ORS 100.175 (that is reserves for replacement) until the date the first Unit is conveyed; provided, further, that the Declarant may not defer payment of accrued assessments for

reserves beyond the date of the Turnover Meeting or, if no such meeting is held, the date the Unit Owners assume administrative control of the Association. [ORS 100.530(3)(c)]

5.4 Special or Extraordinary Assessments

5.4.1 Special Assessments for Capital Improvements

In the case of any duly authorized capital improvement to the General Common Elements, the Board may by resolution establish separate assessments for such improvement funded by Dwelling Unit Owners which assessments may be treated as capital contributions by the Dwelling Unit Owners, and the proceeds of which will be used only for the specific capital improvements described in the resolution. If such capital improvement includes any portion of the Parking Common Elements, the resolution may include a proportional assessment funded by the Parking Unit Owners. The Association will not assess Units owned by Declarant for additional capital improvements to the Condominium without the written consent of Declarant, as long as Declarant owns more than two (2) Units or five (5%) percent of the Units, that is three (3) Units in the Condominium, whichever is greater. [ORS 100.530 (4)(a)]

5.4.2 Other Special or Extraordinary Assessments

If the Board determines that the assessments established upon adoption of the budget as provided in Section 5.1 will be insufficient to pay the Common Expenses, or the Board determines that additional funds will be needed to meet unexpected or unbudgeted Common Expenses, the Board may levy an additional special or extraordinary assessment. Such assessment will be allocated to each Unit in the same proportion set forth in the Declaration, and may be payable in installments over a specified period, in a lump sum or in a lump sum with option to pay in installments with interest, as determined by the Board.

5.5 Replacement Reserves; Reserve Study

5.5.1 Establishment and Funding of Replacement Reserves

Declarant will establish a reserve account for replacement of those General Common Elements all or a part of which will normally require replacement in more than three (3) and less than thirty (30) years. [ORS 100.175(1)] The reserve account established shall also include amounts for exterior painting if the Common Elements include exterior painted surfaces, and for the maintenance, repair or replacement of such other items as may be required by the Declaration or these Bylaws or that the Board, in its discretion, may deem appropriate. [FMSG, Part XII, 608.06] The reserve account need not include those items that could reasonably be funded from operating assessments or a reserve for Limited Common Elements for which maintenance and replacement are the responsibility of one or more Unit Owners under the provisions of the Declaration or these Bylaws. Such reserve account shall be funded by assessments against the individual Units for maintenance of the items for which the reserve account is being established, which sums will be included in the regular monthly assessment for the Unit, except as otherwise provided in Section 5.3.2. The amount assessed will take into account the estimated remaining life of the items for which the reserve is created and the current replacement cost of such items. The reserve account will be established in the name of the Association and will be adjusted at least annually to recognize

changes in current replacement costs over time. **[ORS 100.175(4)]** Except as provided for in Section 5.5.3, the reserve account will be used only for the purposes for which reserves have been established and will be kept separate from other funds.

5.5.2 Annual Reserve Study

The Board annually shall retain an independent consultant to conduct a reserve study, as that term is defined at ORS 100.175(3)(c), or to 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, tentatively the roof, elevator, siding, plumbing, electrical, HVAC, paving, sidewalks and decks; (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 reserve funds, to meet the maintenance, repair and replacement schedule. **[ORS 100.175(3)]**

5.5.3 Loans from Replacement Reserves

After the organizational and Turnover Meeting described in Section 2.2, the Board may borrow funds from the reserve account established for the General Common Elements to meet high seasonal demands on the regular operating funds or to meet unexpected increases in expenses that will later be paid from assessments if, by a seventy-five percent (75%) vote, the Board has adopted a resolution, which may be an annual continuing resolution, authorizing the borrowing of such funds. Not later than the adoption of the budget for the following year, the Board shall adopt by resolution a written payment plan providing for repayment of the borrowed funds within a reasonable period. Nothing in this Section 5.5 shall prohibit prudent investment of the reserve account. Assessments paid into the reserve account are the property of the Association and are not refundable to sellers of Units. **[ORS 100.175(5)(b), (6), (7)]**

5.5.4 Changes in Replacement Reserves

Following Turnover, the Association may, on an annual basis, (a) elect not to fund the reserve account, but only if such action is approved by unanimous vote (100%) of the all Unit Owners, or (b) elect to increase or decrease future assessments for the reserve account, but only if such action is approved by an affirmative vote of a least seventy-five percent (75%) of all Unit Owners. **[ORS 100.175(8)]**

5.6 Default in Payment of Assessment; Late Charges

In the event of default by any Unit Owner in paying any assessments to the Association, including assessed Common Expenses and any other charge imposed or levied by the Association pursuant to the provisions of the Declaration, these Bylaws or the Act, the Association shall, pursuant to ORS 100.405(1)(k), be entitled to impose (a) charges for the late payments of such assessments, that is for any assessment not paid within ten (10) days of its due date, in particular a late charge in the amount of five percent (5%) of the delinquent payment, or such other reasonable late charge as may be established by the Board, and (b) all

expenses incurred by the Association in collecting such unpaid assessments, including attorneys' fees (whether or not suit is instituted, and at trial or any appeal or petition for review therefrom). If the assessment is not paid within thirty (30) days of its due date, the Board may declare any remaining installments of assessments for the balance of the fiscal year immediately due and payable. The Board will have the right and duty to recover for the Association such assessments, together with such charges, interest and expense of the proceeding, including attorneys' fees, by an action brought against such Unit Owner or by foreclosure of the lien upon the Unit pursuant to ORS 100.450. The Board will notify the holder of any first mortgage upon a Unit and any eligible mortgage insurer or guarantor thereof of any default not cured within sixty (60) days of the date of default. **[FMSG, Part XII, 610] [ORS 100.450(7)]**

5.7 Liens for Unpaid Assessments; Interest; Foreclosure of Same

The Association shall be entitled to a lien for unpaid assessments and interest against the individual Unit and the undivided interest in the Common Elements appertaining to such Unit. **[ORS 100.450(1) and (2)(b)]** The Association shall record in Multnomah County a claim containing: (a) a true statement of the amount due for the unpaid assessments after deducting all just credits and offsets; (b) the name of the delinquent Unit Owner(s); (c) the name of the Condominium and Unit designation; and (d) a statement that if the Unit Owner fails to pay any future assessments when due (as long as the original or any subsequent assessment remains unpaid) the amount of the assessment shall automatically continue to accrue with interest. **[ORS 100.450(2)]** When a claim has been so filed and recorded and the delinquent Unit Owner fails to pay the assessment chargeable to such Unit, then so long as the original or any subsequent unpaid assessment remains unpaid such claim shall automatically accumulate the subsequent unpaid assessments and interest thereon. In any suit brought by the Association to foreclose a lien on a Unit because of unpaid assessments, the Unit Owner will be required to pay a reasonable rental for the use of the Unit during the pendency of the suit, and the plaintiff in such foreclosure suit will be entitled to the appointment of a receiver to collect such rental. The Board, acting on behalf of the Association, will have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the Unit. **[ORS 100.460]** A suit or action to recover a money judgment for unpaid assessments will be maintainable without foreclosing the liens securing the same.

5.8 Statement of Assessments

The Board will advise each Unit Owner in writing of the amount of assessments payable by such owner, and furnish copies of each budget on which such assessments are based to all Unit Owners and, if requested, to their mortgagees. The Board will promptly provide any Unit Owner who makes a request in writing with a written statement of the Owner's unpaid assessments. **[ORS 100.480(7)]**

5.9 Priority of Lien: First Mortgages

Any lien of the Association against a Unit for assessments will be subordinate to tax and assessment liens and any prior first mortgage or trust deed of record. **[FMSG, Part XII, 608.03] [ORS 100.450(1)]** Where the purchaser or mortgagee of a Unit obtains title to the

Unit as a result of foreclosure of a first mortgage or trust deed, such purchaser or mortgagee, and its successors and assigns, will not be liable for any of the assessments chargeable to such Unit that become due prior to the acquisition of title to such Unit by such purchaser or mortgagee. Such unpaid share of assessments will be a Common Expense and reallocated on a pro rata basis for all Units, including the mortgaged Unit. [ORS 100.475(2)] The purchaser or mortgagee will be obligated to pay future assessments. A deed in lieu of foreclosure accepted by the holder of a first mortgage will extinguish a lien filed by the Association to secure unpaid assessments under the circumstances described in ORS 100.465.

5.10 Voluntary Conveyance

In a voluntary conveyance of a Unit, the grantee will be jointly and severally liable with the grantor for all unpaid assessments against the grantor of the Unit up to the time of the grant to conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, upon request of an Owner or its agents for the benefit of a prospective purchaser, the Board will make and deliver a written statement of the unpaid assessments against the prospective grantor or the Unit effective from the date specified in the statement, and the grantee in that case will not be liable for, nor will the Unit when conveyed be subject to, a lien filed thereafter for any unpaid assessments against the grantor in excess of the amount set forth in the statement. [ORS 100.475(3)]

ARTICLE 6. Records and Audits

6.1 General Records

The Board and the managing agent or Manager, if any, will keep detailed records of the actions of the Board and the managing agent or Manager, minutes of the meetings of the Board and minutes of the meetings of the Association. The Board will maintain a Book of Resolutions containing the rules, regulations and policies adopted by the Association, Board and the Manager. The Board will maintain a list of owners entitled to vote at meetings of the Association and a list of all mortgagees of Units. [ORS 100.480]

6.2 Financial Records; Deposit of Assessments

The Board or its designee will keep financial records sufficient for proper accounting purposes. All assessments shall be deposited in a separate bank account, located in the State of Oregon in the name of the Association. All expenses shall be paid from the Association bank account. [ORS 100.480 (2)]

6.3 Assessment Roll

The assessment roll will be maintained in a set of accounting books in which there will be an account for each Unit. Such account will 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. The Association shall provide, within ten (10) business days of receipt of a written request from an Owner, a written statement that provides the amount of assessments due from the Owner and unpaid at the request was received including regular and special assessments, fines and other charges, accrued interest and the percentage rate at

which interest accrues on unpaid assessments, and late payment charges including the percentage rate used to calculate the charges for late payment. However, the Association is not required to comply with the provisions of the immediately preceding sentence if the Association has commenced litigation by filing a complaint against the owner and the litigation is pending when the statement would otherwise be due. [ORS 100.480 (4)]

6.4 Payment of Vouchers

The treasurer will pay all vouchers for all budgeted items and for any nonbudgeted items up to Two Thousand Dollars (\$2,000) signed by the Chairperson, managing agent, Manager or other person authorized by the Board. Any voucher for nonbudgeted items in excess of Two Thousand Dollars (\$2,000) will require the authorization of the Chairperson. Any checks written on reserve account must be signed by two members of the Board.

6.5 Reports and Audits

An annual financial statement consisting of a balance sheet and income and expense statement for the preceding fiscal year will be prepared and distributed by or on behalf of the Board to all Unit Owners and to all mortgagees of Units who have requested the same within ninety (90) days after the end of each fiscal year. [ORS 100. 480 (3)] From time to time the Board, at the expense of the Association, may obtain an audit or review of the books and records pertaining to the Association and furnish copies thereof to the owners and such mortgagees. Upon written request, any holder, insurer or guarantor of a first mortgage will be entitled to an audited financial statement for the immediately preceding fiscal year at the expense of the requesting party, if one is not otherwise available. [FMSG, Part XII, 601.02].

6.6 Notice of Sale, Mortgage, Rental or Lease

Immediately upon the sale, mortgage, rental or lease of any Unit, the Unit Owner will promptly inform the Secretary or Manager of the name and address of said vendee, mortgagee, tenant or lessee.

6.7 Availability of Records

During normal business hours or under other reasonable circumstances and within Oregon, the Association will make available for examination by Unit Owners including the Declarant until the Declarant owns no Units or until May, 2010, whichever is later, prospective purchasers and lenders, and to holders, insurers or guarantors of any first mortgage that is secured by Units, current copies of the Articles of Incorporation, Declaration, Bylaws, the most current reserve study, other rules and regulations concerning the Condominium, amendments or supplements to such documents, and the books, records, financial statements, including the most recent financial statement of the Association, and the current operating budget of the Association. [FMSG, Part XII, 601.01]. Upon written request, the Association will make such documents, information and records available to such persons for duplication during reasonable hours. The Association may charge a reasonable fee for furnishing copies of such documents, information or records. [ORS 100.480 (5) through (8)]

ARTICLE 7. Maintenance and Use of Condominium Property

7.1 Maintenance and Repair

Except as otherwise provided in Section 7.3 for damage or destruction caused by casualty.

7.1.1 Units

All maintenance of and repairs to any Unit will be made by the owner of such Unit, who will keep the same in good order, condition and repair and will do all redecorating, painting and staining that is necessary to maintain the good appearance and condition of his or her Unit. In addition, each Unit Owner will be responsible for the maintenance, repair or replacement of windows and doors and any plumbing, heating or air-conditioning fixtures, telephones, water heaters, fans, lighting fixtures and lamps, fireplaces, refrigerators, dishwashers, ranges, or other appliances and accessories that may be in or connected with such owner's Unit. The Association, however, may repair or replace, at the Association's expense, portions of Units to the extent reasonably necessary for the preservation of the Common Elements in good condition and working order.

7.1.2 Common Elements

All maintenance, repairs and replacements to the General (and any Limited) Common Elements and Association property will be made by the Association and will be charged to all the Unit Owners as a Common Expense. Each Unit Owner, however, will keep the limited Common Elements that pertain to such owner's Unit in a neat, clean and sanitary condition. **[FMSG, Part XII, 604].**

7.2 Additions, Alterations or Improvements

(a) A Unit Owner may make any improvements or alterations to such owner's Unit that do not impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium.

(b) After acquiring an adjoining Unit or an adjoining part of an adjoining Unit, a Unit Owner may submit a written request to the Board for permission to remove or alter any intervening partition or to create apertures therein, even if the partition in whole or in part is a common element. The Board will approve the change unless it determines within forty-five (45) days that the proposed change will impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium. The Board may require the Unit Owner, at such owner's own expense, to submit an opinion of a registered architect or registered professional engineer that the proposed change will not impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this Section 7.2(a) is not an alteration of boundaries.

(c) A Unit Owner will make no repair or alteration or perform any other work on such owner's Unit that will jeopardize the soundness or safety of the property, reduce its value, impair any easement or hereditament or increase the Common Expenses of the Association unless the consent of all the other Unit Owners affected is first obtained.

(d) A Unit Owner may not change the appearance of the Common Elements or the exterior appearance of a Unit without the prior, written permission of the Board.

7.3 Damage or Destruction by Casualty of Condominium Property

In the case of damage or destruction that affects a material portion of Condominium property, the Board shall give written notice to the Unit Owners and their mortgagees and any eligible mortgage insurer or guarantor, and the following provisions will apply:

(a) In the event of damage or destruction by casualty of Condominium property, the damage or destruction will be repaired, reconstructed or rebuilt unless, within fourteen (14) days of such damage or destruction, the Board or more than ten percent (10%) of the Unit Owners entitled to vote on the matter have requested a special meeting of the Association. Such special meeting must be held within sixty (60) days of the date of damage or destruction. Unless, at such meeting, Unit Owners holding at least (90%) of the voting rights entitled to be cast on the matter, whether in person, by writing or by proxy, and unless such vote is approved by mortgagees as required by the Declaration, vote not to repair, reconstruct or rebuild the damaged property, the damage or destruction shall be repaired, reconstructed or rebuilt. If the damage or destruction is not repaired, reconstructed or rebuilt, then the property will be removed from Condominium ownership in the manner provided in the Act. **[ORS 100.605]**

(b) The Association will be responsible for repairing, reconstructing or rebuilding all such damage or destruction to the Common Elements and, to the extent of the Association's insurance coverage and any deductible under such policies, all such damage or destruction to the Units. Each Unit Owner will be responsible for such repairing, reconstructing or rebuilding of his or her Unit as is not so covered by the Association's insurance.

(c) If, due to the act or neglect of a Unit Owner, or of a member of such Unit Owner's family or household pet or of a guest or other authorized occupant or visitor of such Unit Owner, damage is be caused to the Common Elements or to a Unit owned by others, or maintenance, repairs or replacements are required that would otherwise be a Common Expense, then such Unit Owner will pay for such damage and such maintenance, repairs and replacements as may be determined by the Association, to the extent not fully covered by the Association's insurance.

(d) If any portion of the insurance proceeds paid to the Association is not used to repair, reconstruct or rebuild the damaged or destroyed property, then the Association will contribute such unused portion to the Association's reserve account, unless the property is removed from Unit ownership. If the property is removed from Unit ownership, the distribution of insurance proceeds shall be made to the Unit Owners and their mortgagees (as their interests may appear) based on the relative value of each unit and in accordance with the formula used to determine the Unit Owners' individual interests in Common Elements, as provided in the Declaration. **[FMSG, Part XII, 605].**

7.4 Condemnation

If any portion of Condominium property is subject to any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, notice of the proceeding or proposed acquisition will promptly be given to each Unit Owner and to each mortgagee and any eligible mortgage insurer or guarantor. The Association will represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of any portion of the Common Elements, and each Unit Owner hereby appoints the Association to act as his or her attorney-in-fact for such purposes. All compensation, damages or other proceeds of the taking, other than any award for moving expenses of specific Unit Owners, will be payable to the Association and allocated and distributed as provided in this Section 7.4.

7.4.1 Complete Taking

If the entire Condominium property is taken, or if Unit Owners holding ninety percent (90%) of the voting power agree that such substantial portion of the Condominium has been taken as to make the project obsolete or untenable, then the property will be deemed removed from Unit ownership. In such event, any proceeds of the condemnation paid to the Association, together with any other proceeds upon sale of the remaining Condominium property, will be distributed among the Unit Owners and their mortgagees, as their interests may appear, in accordance with the provisions of the Act.

7.4.2 Partial Taking

If less than the entire Condominium property is taken and the property is not determined to be obsolete or untenable as provided in Section 7.4.1, then as soon as practicable the Board will, reasonably and in good faith, allocate the award among the Units in accordance with the reduction in the value of each Unit and its interest in the Common Elements, compared to the total reduction in value of all Units and their interest in the Common Elements. If any Unit Owner or mortgagee objects to the allocation determined by the Board, the matter will be submitted to arbitration in Portland, Oregon in accordance with the rules of the Arbitration Services of Portland, Inc. or if not in existence, the American Arbitration Association. The cost of such determination will be paid out of the proceeds of the condemnation. Any portion of the award allocated to a Unit Owner under this Section 7.4.2 will be paid first to all mortgagees and holders of liens on the Unit Owner's interest in accordance with the existing priorities, and the balance to the Unit Owner. If any reconstruction or repair is undertaken as a result of the condemnation, the Board may retain and apply such portion of each Unit Owner's share of the award as is necessary to discharge the owner's liability for any special assessment arising from such reconstruction or repair.

7.5 Restrictions and Requirements Respecting Use of Condominium Property

The following restrictions and requirements are in addition to all other restrictions and requirements contained in the Declaration and these Bylaws:

7.5.1 Residential Use

No commercial activities of any kind will be carried on in any Unit or in any other portion of the Condominium without the prior, written consent of the Board, except for the

following: (a) Unit Owners may engage in activities directly related to the rental or sale of his/her/their Unit(s); and (b) so long as consistent with applicable zoning regulations, a Dwelling Unit Owner may use his or her Dwelling Unit as an office. Nothing in this provision will prevent or prohibit a Dwelling Unit Owner from maintaining his or her personal professional library, keeping his or her personal business or professional records or accounts, handling his or her personal business or professional telephone calls, or conferring with business or professional associates, clients or customers, in such owner's Dwelling Unit.

7.5.2 Use of Common Elements; Parking Spaces

The Common Elements will be used for the specific purposes for which the same are reasonably intended, and in general for the enjoyment of the Units. The use, operation and maintenance of the Common Elements will not be obstructed, damaged or unreasonably interfered with by any Unit Owner his/her/their tenant or invitee. The use of the Limited Common Element Parking Spaces will be allocated and assigned by the Declarant at the time of initial sale of the respective Dwelling Units for the exclusive use and enjoyment of the Owners of such Units to which they are assigned.

7.5.3 Offensive or Unlawful Activities

No noxious or offensive activities will be carried on in any Unit, nor will anything be done in or placed upon any Unit that interferes with or jeopardizes the enjoyment of other Units or of the Common Elements or that is a source of annoyance to residents. Unit occupants will exercise extreme care not to make noises that may disturb other Unit occupants, including, but not limited to, the use of power tools, musical instruments, stereos, televisions, computers, game systems and amplifiers. No unlawful use will be made of the Condominium or any part thereof, and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof will be observed.

7.5.4 Animals

No animals, fish, fowl or insects will be raised, kept or permitted within the Condominium or any part thereof, except domestic dogs, cats and other ordinary household pets kept within a Dwelling Unit. A Dwelling Unit Owner may keep two (2) pets in his or her Dwelling Unit without prior consent of the Board of the Association, so long as the pet(s) is/are domesticated. No such dogs, cats or other pets will be permitted to run at large or will be kept, bred or raised for commercial purposes. Any inconvenience, damage or unpleasantness caused by such pets will be the responsibility of the respective Dwelling Unit Owners thereof, and Dwelling Unit Owners will be responsible for removal and proper disposal of wastes of their animals. All dogs will be carried or kept on a leash while outside a Dwelling Unit. No pet will be permitted to cause or create a nuisance or unreasonable disturbance or noise. A Dwelling Unit Owner may be required to permanently remove a pet upon receipt of the third notice in writing from the Board of violations of any rule, regulation or restriction governing pets within the Condominium, or upon receipt of a single notice and subsequent hearing if the pet is deemed dangerous to others.

7.5.5 Exterior Lighting or Noisemaking Devices and Antennas

Except with the written consent of the Board or Manager, no exterior lighting (except for holiday lights during the month of December) or noisemaking devices will be installed or maintained on any Unit and no antennas, satellite dishes or transmitting towers will be affixed to the Common Elements, provided however, small (under 1½ foot in diameter) satellite dishes may be attached to the exterior of each Unit in a position approved by the Manager or Board. The restrictions contained in this Section 7.5.5 shall be effective only to the extent permissible under applicable laws and regulations.

7.5.6 Windows, Decks and Outside Walls

To preserve the attractive appearance of the Condominium, the Board or the Manager may regulate the nature of items that may be placed in or on windows, decks and the outside walls so as to be visible from other Units, the Common Elements or outside the Condominium. Garments, rugs, laundry and other similar items may not be hung from windows, facades, decks or railings.

7.5.7 Trailers, Campers and Boats

Except with the consent of the Board or Manager, no RV, trailer, truck camper, boat or boat trailer, or other recreational vehicle will be parked on any portion of the Condominium property for a period longer than forty-eight (48) hours.

7.5.8 Leasing and Rental of Units

No Unit Owner may lease or rent less than his or her entire Unit and no Unit Owner may rent such Owner's Unit for transient or hotel purposes, or for a period of less than ninety (90) days. All leases or rentals shall be in writing and shall be expressly made subject in all respects to the provisions of the Declaration and these Bylaws, and any failure by the lessee or tenant to comply with the terms of such documents shall be expressly acknowledged as a default under the lease allowing the landlord or the Association to evict the tenant. **[FMSG, Part XII, 609.03]**. If the Board, in its sole discretion, finds that a lessee or tenant has violated any material provision of the Declaration, these Bylaws or the rules and regulations, then the Board may require the Unit Owner to terminate such lease or rental agreement. Copies of all leases shall be promptly provided within ten (10) days of execution to the Board or Manager.

7.5.9 Signs

Unless written approval is first obtained from the Board, no sign of any kind will be displayed to the public view on or from any Unit or the Common Elements except signs used by Declarant to advertise Units for sale or lease or political signs during an election campaign.

7.5.10 Trash

No part of any Unit nor any part of the Common Elements shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste, including recyclable materials. No trash, garbage, recycling or other waste will be kept or maintained on any part of the Condominium property except in sanitary containers in the designated

areas. Units found to contain substantial accumulations of trash shall be immediately cleaned by the Unit Owner or else the Association or Manager may do so at the Unit Owner's expense.

7.5.11 Affecting Insurance Cost

Nothing will be done or kept in any Unit, including any Parking Unit or in the Common Elements that will increase the cost of insurance on the Common Elements. No owner will permit anything to be done or kept in his or her Unit or in the Common Elements that would conceivably result in cancellation of insurance on any Unit or any part of the Common Elements.

7.5.12 Association Rules and Regulations

The Board, from time to time, may adopt, modify or revoke such rules and regulations governing the conduct of persons and the operation and use of the Units and Common Elements as it may deem necessary or appropriate to ensure the peaceful and orderly use and enjoyment of the Condominium property, including but not limited to the reassignment of Limited Common Element Parking Spaces. Any rule or regulation may be modified by the vote of not less than seventy-five percent (75%) of the voting rights entitled to be cast present, in person or by proxy, at any meeting of the Association, the notice of which will have stated that such modification or revocation of a rule or regulation will be considered. A copy of the rules and regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, will be delivered by personal delivery or mail by the Secretary promptly to each Unit Owner and will be binding on all Unit Owners and occupants of all Units from the date of delivery.

7.6 Abatement and Enjoining of Violations; Fines

The violation of any provision of the Declaration or these Bylaws, of any rule or regulation adopted pursuant to these Bylaws or of any decision of the Association made pursuant to such documents will give the Board, acting on behalf of the Association, the right, in addition to any other rights set forth in these Bylaws, to do any or all of the following after giving the affected Owner notice and an opportunity to be heard:

(a) enter the Unit in which or as to which such violation exists and summarily abate and remove, at the expense of the Unit Owner, any structure, thing or condition that may exist contrary to the intent and meaning of such violated provision(s), and the Board will not thereby be deemed guilty of any manner of trespass; provided, however, that arbitration or judicial proceedings shall be instituted before any significant items of construction may be altered or demolished;

(b) enjoin, abate or remedy such thing or condition by appropriate legal proceedings;

(c) levy reasonable fines if the charge imposed or fine levied is based on these Bylaws or an amendment to these Bylaws that is delivered or mailed to each Unit or Unit Owner's address or based on a resolution adopted by the Board or the Association which is delivered or mailed to each Unit or Unit Owner's address consistent with ORS 100.405 (4) (k); or

(d) after giving written notice and an opportunity to be heard, terminate the rights of any Unit Owner to receive utility services paid for out of assessments or the right of access to and use of recreational and service facilities of the Condominium until the correction of the violation has occurred, based on rules adopted pursuant to ORS 100.405 (4)(1).

The offending Unit Owner will be liable to the Association for all costs and attorneys' fees incurred by the Association, whether or not legal proceedings are instituted and including attorneys' fees on appeal or petition for review, together with any cost or expense incurred by the Association in remedying the default, any damage incurred by the Association or other Unit Owners, and any fines levied against the offending Unit Owner under this Article. Such sums will be assessed against the offending Unit as an assessment and enforced as provided in Article 5. In addition, any aggrieved Unit Owner may bring an action against such other Unit Owner or the Association to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

ARTICLE 8. Insurance

8.1 Types of Insurance

For the benefit of the Association and the Unit Owners, the Board will obtain and maintain at all times, and will pay for out of the Common Expense funds, the following insurance:

8.1.1 Property or "Hazard" Insurance

(a) The Association will maintain a policy or policies of property ("hazard" or "casualty") insurance including, but not limited to, coverages for loss or damage from fire and all other perils customarily covered for similar types of projects, including those covered by the standard "all risk" endorsement or "broad form" covered causes of losses, and such other coverages as the Association may deem desirable. **[FMSG, XII, 701.02] [ORS 100.435(1)(a)]**

(b) The amount of the coverage will be for not less than one hundred percent (100%) of the insurable replacement cost of the Condominium improvements, that is the individual Units and Common Elements (exclusive of land, foundation, excavation and other items normally excluded from coverage), subject to a maximum deductible of the lesser of Ten Thousand Dollars (\$10,000) and one percent (1%) of the policy face amount. **[FMSG, Part XII, 701.04]**. An insurance policy that includes either of the following endorsements will assure full insurable value replacement cost coverage: (i) a Guaranteed Replacement Cost Endorsement (under which the insurer agrees to replace the insurable property regardless of the cost) and, if the policy includes a coinsurance clause, an Agreed Amount Endorsement (which waives the requirement for coinsurance) or (ii) a Replacement Cost Endorsement (under which the insurer agrees to pay up to 100% of the property's insurance replacement cost, but no more) and, if the policy includes a coinsurance clause, an Agreed Amount Endorsement (which waives the requirement of coinsurance). **[FMSG, Part XII, 701.03]**.

(c) The policy or policies will include all fixtures and building service equipment to the extent that they are part of the Common Elements and all personal property and

supplies belonging to the Association, together with all fixtures, improvements and alterations comprising a part of each Unit and refrigerators, air conditioners, cooking ranges, dishwashers and clothes washers and dryers contained within Units and owned by the Unit Owners, in particular if they would typically constitute part of the collateral for a mortgage loan of a Unit.

(d) The Association shall maintain a “master” or “blanket” type of policy, with premiums being paid as a Common Expense. **[FMSG, Part XII, 701.02]**. In particular, the policy or policies will show the Association as named insured, and the “loss payable” clause should show the Association or an independent insurance trustee, as a trustee for each Unit Owner and each such Unit Owner’s mortgagee, as their interests may appear. **[FMSG, Part XII, 701.06]**. The policies will contain the standard mortgage clause, or equivalent endorsement (without contribution) that is commonly accepted by institutional mortgage investors in Oregon, and must name either Fannie Mae or the servicers for the Fannie Mae loans on Units in the Condominium. When a servicer is named as the mortgagee, its name should be followed by the phrase “its successors and assigns.” **[FMSG, Part XII, 701.06]**.

(e) The Association’s property or “hazard” insurance policy(ies) will contain a “Special Condominium Endorsement” or its equivalent providing for the following: (i) that any Insurance Trust Agreement will be recognized, (ii) a waiver of the right of subrogation against Unit Owners individually, (iii) that the insurance is not prejudiced by any act or omissions of individual Unit Owners that are not in the control of the Association, and (iv) that the policy is primary even if the Unit Owner has other insurance that covers the same loss. **[FMSG, Part XII, 701.05]**.

(f) The Association’s property or “hazard” insurance policy(ies) will include: (i) an Inflation Guard Endorsement, when it can be obtained; (ii) a Building Ordinance or Law Endorsement, if the enforcement of any building, zoning or land use law will result in loss or damage, increased cost of repairs or reconstruction, or additional demolition and removal costs. (The endorsement must provide for contingent liability for the operation of building laws, demolition costs and associated costs of reconstruction (formerly these coverages were afforded by Construction Code Endorsements such as a Demolition Cost Endorsement, a Contingent Liability from Operation of Building Laws Endorsement and an Increased Cost of Construction Endorsement)); and (iii) a Steam Boiler and Machinery Coverage Endorsement if the Condominium has central heating or cooling, which coverage per accident will at least equal the lesser of: (A) Two Million Dollars (\$2,000,000) and (B) the insurable value of the building housing the boiler or machinery. In lieu of obtaining the last endorsement, the Association may purchase separate, stand-alone boiler and machinery coverage.

8.1.2 Liability Insurance

(a) The Association shall maintain commercial general liability insurance for the entire Condominium, including all common areas and elements, public ways, and other areas that are under the Association’s supervision. The insurance shall also cover commercial spaces that are owned by the Association, even if they are leased to others. The insurance should provide coverage for bodily injury and property damage that results from the operation, maintenance, or use of the Condominium’s common areas and elements. **[FMSG,**

Part XII, 703]. It should cover the Association, the Unit Owners individually, any Manager, and the Board from legal liability to the public and the Unit Owners and their invitees or tenants, incident to the ownership, control or use of the property, including legal liability arising out of lawsuits related to employment contracts of the Association. There may be excluded from such policy or policies coverage of a Unit Owner (other than as a member of the Association or Board) for liability arising out of acts or omission of such Unit Owner and liability incident to the ownership and/or use of the part of the property as to which such Unit Owner has the exclusive use or occupancy. **[ORS 100.435(1)(b)]**

(b) Limits of liability under such insurance will not be less than Two Million Dollars (\$2,000,000) for bodily injury and property damage for any single occurrence, that is on a combined single limit basis. **[FMSG, Part XII, 703]**

(c) Such policy or policies will be issued on a comprehensive liability basis and will provide a cross liability endorsement wherein the rights of the named insured under the policy or policies will not be prejudiced as respects his, her or their action against another named insured. **[ORS 100.435(1)(b)]** If the policy does not include “severability of interest” in its terms, there should be a specific endorsement to preclude an insurer’s denial of a Unit Owner’s claim because of negligent acts of the Association or of other Unit Owners. **[FMSG, Part XII, 703].**

8.1.3 Workers’ Compensation Insurance

The Association will maintain workers’ compensation insurance to the extent necessary to comply with any applicable laws.

8.1.4 Fidelity Insurance

(a) The Association will maintain blanket fidelity insurance coverage for anyone who either handles (or is responsible for) funds that the Association holds or administers, whether or not the individual receives compensation for services, including but not limited to all officers, Directors, trustees and employees of the Association. In the event the Association has retained a management agent that handles funds for the Association, such agent shall maintain its own fidelity insurance, which must provide the same coverage required of the Association. **[FMSG, Part XII, 704].**

(b) The total amount of fidelity insurance coverage required should cover the maximum funds that will be in custody of the Association or Manager. A lesser amount of coverage is acceptable if the Association and any Manager adhere to the following financial controls; provided, however, that in no event may the aggregate amount of such insurance be less than the sum equal to three (3) months’ aggregate assessments on all Units plus reserve funds. A lesser amount of fidelity insurance coverage based on a greater amount of financial controls may be accepted if the financial controls are in accordance with one of the following forms: (i) Association or Manager maintains separate bank accounts for operating funds and reserve funds, each with appropriate access controls, and the depository bank sends copies of monthly statements directly to the Association rather than the Manager; (ii) Manager maintains separate records and bank accounts for each Association that uses its services and

the Manager does not have the authority to draw checks on, or transfer funds from, the Association reserve account; and (iii) two (2) members of the Board must sign any checks written on the reserve account. [FMSG, Part XII, 704].

(c) Such fidelity insurance will name the Association as the insured, the premiums shall be paid as a Common Expense by the Association, and must contain waivers by the issuers of the insurance of all defenses based on the exclusion of persons serving without compensation from the definition of “employees” or similar terms or expressions. The insurance will provide that it may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days’ prior written notice to the Association and each servicer on behalf of Fannie Mae.

8.1.5 Directors’ and Officers’ Liability Insurance

Unless seventy five percent (75%) of the Unit Owners vote to maintain less or no such insurance and unless, until July, 2010, the Declarant consents, the Association will maintain a policy of directors’ and officers’ liability insurance with coverage for acts or omissions of all directors and officers (“D&O Insurance”) from the inception of the Association in the amount of not less than \$500,000, inflation adjusted for increases in the cost of living from and after May, 2005, subject to a reasonable deductible and covering occurrences commencing from and after the inception of the Association. The D&O Insurance policy will be on (i) an “occurrence” basis, or (ii) a “claims made” basis, but if on a claims made basis, the Association shall acquire a tail policy if coverage is ever terminated, to cover claims for all prior occurrences. The Association shall indemnify and hold harmless any past or present director (including interim directors) and any officer (including interim officers) for any losses resulting from the Association’s failure to maintain the D&O Insurance in this Section 8.1.5. Further, if the Association fails to maintain the D&O Insurance as provided in this Section 8.1.5, the Association, and all Unit Owners, shall be deemed to release, acquit, and forever discharge any officer and director and waive any and all actions, causes of action, claims, demands, damages, costs and expenses of every kind and nature of description, which arise directly or indirectly arise out of or are in any way related to such officer or director’s acts or omissions of any kind that would be covered by a standard policy of D&O Insurance. Again, the provisions of this Section 8.1.5 may not be amended without the vote of seventy five percent (75%) of the Unit Owners, and without the consent of the Declarant until May, 2010.

8.1.6 Insurance by Unit Owners

Each Unit Owner will obtain, at such owner’s expense, insurance covering his or her property not insured under Section 8.1.1 and against his or her liability not covered under Section 8.1.2. [ORS 100.435(2)]

8.1.7 R&H Restorations Company Water Intrusion Warranty and Insurance Coverage Limitations

The Unit Owners and Association shall maintain the exterior of the Condominium as required under the O & M Manual referenced in the Construction Contract dated May 10, 2005 with R&H Restorations Company (“R&H”). The failure to maintain the Condominium

exterior consistent with the O & M Manual may effectively void any warranty against and other liability of R&H for construction defects, including water intrusion, and may adversely affect the ability to make a claim under the R&H Commercial General Liability Insurance Policy.

8.2 Other Insurance Requirements

Insurance obtained by the Association will be governed by the following requirements:

(a) All policies will be written with the State of Oregon or a company licensed to do business in the State of Oregon and acceptable to Fannie Mae Companies should have a “B” or better general policyholder’s rating or a financial performance index rating of six (6) or better, as designated in A.M. Best’s Insurance Reports, an “A” or better general policyholder’s rating and a financial size category of “VIII” or better in Best’s Insurance Reports—International Edition, an “A” or better rating in Demotech’s Hazard Insurance Financial Stability Ratings, a “BBBq” qualified solvency ratio or a “BBB” or better claims paying ability rating in Standard and Poor’s International Confidential Rating Service. **[FMSG, Part XII, 701.01].**

(b) Notwithstanding the provisions of Section 8.1, there may be named as an insured, on behalf of the Association, the Association’s authorized representative. Each Unit Owner appoints the Association as attorney-in-fact for the purpose of purchasing and maintaining such insurance including the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents and the performance of all other acts necessary to accomplish such purchase. The Association will receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their first mortgage holders, as their interests may appear. **[FMSG, Part XII, 701.06].**

(c) For purposes of this Article 8, insurance policies are unacceptable where (i) under the terms of the insurance carrier’s charter, bylaws or policy, contributions or assessments may be made against Fannie Mae, the designee of Fannie Mae, or the Association or Unit Owners, or (ii) by the terms of the carrier’s charter, bylaws or policy, loss payments are contingent upon action by the carrier’s Board, policy holders or members, or (iii) the policy includes any limiting clauses (other than insurance conditions) that could prevent Fannie Mae or the owners from collecting insurance proceeds.

(d) All policies required by this Article 8 will provide that they may not be canceled or coverage substantially changed without at least ten (10) days’ prior written notice to the Association and to each holder of a first mortgage that is listed as a scheduled holder of a first mortgage in the insurance policy. Evidence of insurance will be issued to each Unit Owner and mortgagee upon request. **[FMSG, Part XII, 703, 701.07]**

(e) Each Unit Owner will be required to notify the Board of all improvements made by the owner to his or her Unit, the value of which is in excess of Five Hundred Dollars

(\$500.00). Nothing in this Section 8.2(e) will permit an owner to make improvements without first obtaining the approval of the Board pursuant to Section 7.2.

(f) Any Unit Owner who obtains individual insurance policies covering any portion of the property other than such owner's personal property and fixtures will file a copy of such individual policy or policies with the Association within thirty (30) days after the purchase of such insurance.

8.3 Optional Provisions

The Board will make every effort to secure insurance policies that will provide for the following:

(a) To the extent appropriate and available at reasonable cost, the Association will maintain additional coverages against such other risks as are customarily covered with respect to projects similar in construction, location and use, including, but not limited to, host liquor liability, contractual and all-written contract insurance, water intrusion/mold damage, employer's liability insurance, comprehensive automobile liability insurance, and an endorsement patterned after "use and occupancy" insurance providing relief from monthly assessments while a Unit is uninhabitable due to a covered loss.

(b) Flood Insurance consistent with Fannie Mae requirements, if the Condominium is in a Special Flood Hazard Area. [FMSG, Part XII, 702]

(c) If reasonably available, a waiver of subrogation by the insurer as to any claims against the Board of the Association, any owner or any guest of any owner. [ORS 100.435(3)]

(d) If reasonably available, earthquake insurance coverage.

8.4 Fannie Mae and GNMA Requirements

Notwithstanding any other provisions of this Article 8, the Association will continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity requirements for Condominium projects established by Fannie Mae and the Government National Mortgage Association ("GNMA"), so long as either is a mortgagee or owner of a Unit within the Condominium, except to the extent such coverage is not available or has been waived in writing by Fannie Mae or the GNMA. Fannie Mae or Fannie Mae's servicer, and its successors and assigns, will be named as a mortgagee in the Association's policies.

ARTICLE 9. Amendments to Bylaws

9.1 How Proposed

Amendments to the Bylaws will be proposed by either a majority of the Board or by Unit Owners holding thirty percent (30%) of the voting rights entitled to be cast on the amendment. The proposed amendment must be reduced to writing and will be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment. [ORS 100.410(2)]

9.2 Adoption

A resolution adopting a proposed amendment may be proposed by either the Board or by the Unit Owners and may be approved by the Unit Owners at a meeting called for this purpose or by ballot vote. Unit Owners not present at the meeting considering such amendment may express their approval in writing or by proxy. Any resolution must be approved by Unit Owners holding a majority of the voting rights entitled to be cast on the amendment and by mortgagees to the extent required by the Declaration, except that (1) any amendment relating to age restrictions, pet restrictions, limitations on the number of persons who may occupy Units, or limitations on the rental or leasing of Units must be approved by Unit Owners holding seventy-five percent (75%) of the voting rights entitled to be cast on the amendment, and (2) any amendment to a provision that sets forth a voting requirement must be approved by Unit Owners holding the same percentage of voting rights. Such consent will not be required after three (3) years from the date of conveyance of the first Unit to a person other than Declarant. Any amendment that would limit or diminish any special Declarant rights established in these Bylaws will require the written consent of Declarant. [FMSG, Part XII, 601.03] [ORS 100.410(4), (5)]

9.3 Execution and Recording

An amendment will not be effective until certified by the Chairperson and Secretary of the Association as being adopted in accordance with these Bylaws and the provisions of the Oregon Condominium Act and recorded as required by law. [ORS 100.410(3)] Any amendment adopted within five (5) years after the recording of the initial Bylaws will be approved by the Oregon Real Estate Commissioner to the extent required by the Act. [ORS 100.410(6)]

ARTICLE 10. Miscellaneous

10.1 Notices

All notices to the Association or to the Board will be sent in 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 may designate from time to time. All notices to any Unit Owner will be sent to such address as may have been designated by such owner from time to time, in writing, to the Board, or, if no address has been designated, then to the owner's Unit.

10.2 Waiver

No restriction, condition, obligation or provision contained in these Bylaws will 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 that may occur.

10.3 Action Without a Meeting

Any action that the Act, the Declaration or these Bylaws require or permit the Unit Owners or Directors to take at a meeting may be taken without a meeting if a consent in

writing setting forth the action so taken is signed by all the Unit Owners or Directors entitled to vote on the matter. The consent, which will have the same effect as a unanimous vote of the Unit Owners or Directors, will be filed in the Association's records of minutes. [ORS 65.341; ORS 65.211]

10.4 Dispute Resolution.

(a) The Association has right of action against a Unit Owner who fails to comply with the provisions of the Declaration and these Bylaws, or any decisions of the Association. Unit Owners including the Declarant until the Declarant owns no Units or until July 2010, whichever is later, have a right of action against the Association for failure to comply with the provisions of the Declaration and these Bylaws applicable to the Association. [FMSG, Part XII, 608.08]

(b) Subject to paragraph (g) of this subsection, before initiating litigation or an administrative proceeding in which the Association on one hand and a Unit Owner or Declarant on the other hand have an adversarial relationship, the party that intends to initiate litigation or an administrative proceeding shall offer to use any dispute resolution program available within Multnomah County that is in substantial compliance with the standards and guidelines adopted under ORS 36.175. 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. [ORS 100.405(1)(a)]

(c) The party receiving the offer does not accept the offer within ten (10) days after receipt by written notice hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the Association, for the other party, the initiating party may commence the litigation or the administrative proceeding. The 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.

(d) If a qualified dispute resolution program exists within Multnomah County and an offer to use the program is not made as required under paragraph (b) of this subsection, litigation or an administrative proceeding may be stayed for thirty (30) days upon a motion of the non-initiating party. If the litigation or administrative action is stayed under this paragraph, both parties shall participate in the dispute resolution process.

(e) Unless a stay has been granted under paragraph (d) of this subsection, 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.

(f) Once made, the decision of the court or administrative body arising from litigation or an administrative proceeding may not be set aside on the grounds that an offer to use a dispute resolution program was not made.

(g) The requirements of this subsection do not apply to 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. [ORS 100.405 (11)(f)]

10.5 Invalidity; Number; Captions

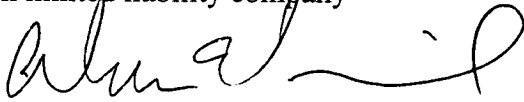
The invalidity of any part of these Bylaws will not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. As used in these Bylaws, the singular will include the plural, and the plural the singular. The masculine and neuter will each include the masculine,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

10.6 Conflicts

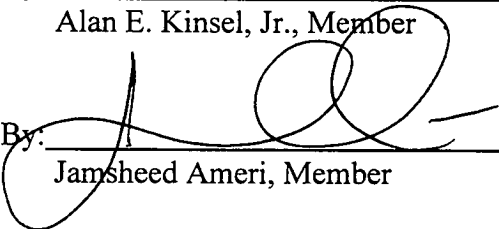
These Bylaws are intended to comply with the Oregon Condominium Act and the Declaration. In case of any irreconcilable conflict, such statute and document will control over these Bylaws or any rules and regulations adopted hereunder.

DATED this 1st day of September, 2005.

FOUR SEASONS DEVELOPMENT, LLC, an
Oregon limited liability company

By: 

Alan E. Kinsel, Jr., Member

By: 

Jamsheed Ameri, Member