

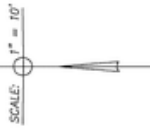
CONDOR HEIGHTS CONDOMINIUMS
 A PORTION OF LOT 3, BLOCK 9 OF "PORTLAND HOMESTEAD",
 AND A PORTION OF VACATED S.W. SEYMOUR STREET,
 LOCATED IN THE NORTHWEST ONE-QUARTER
 OF SECTION 15, TOWNSHIP 1 SOUTH, RANGE 1 EAST
 OF THE WILLAMETTE MERIDIAN, CITY OF PORTLAND,
 MULTNOMAH COUNTY, STATE OF OREGON.

SURVEYED JANUARY 11, 2007

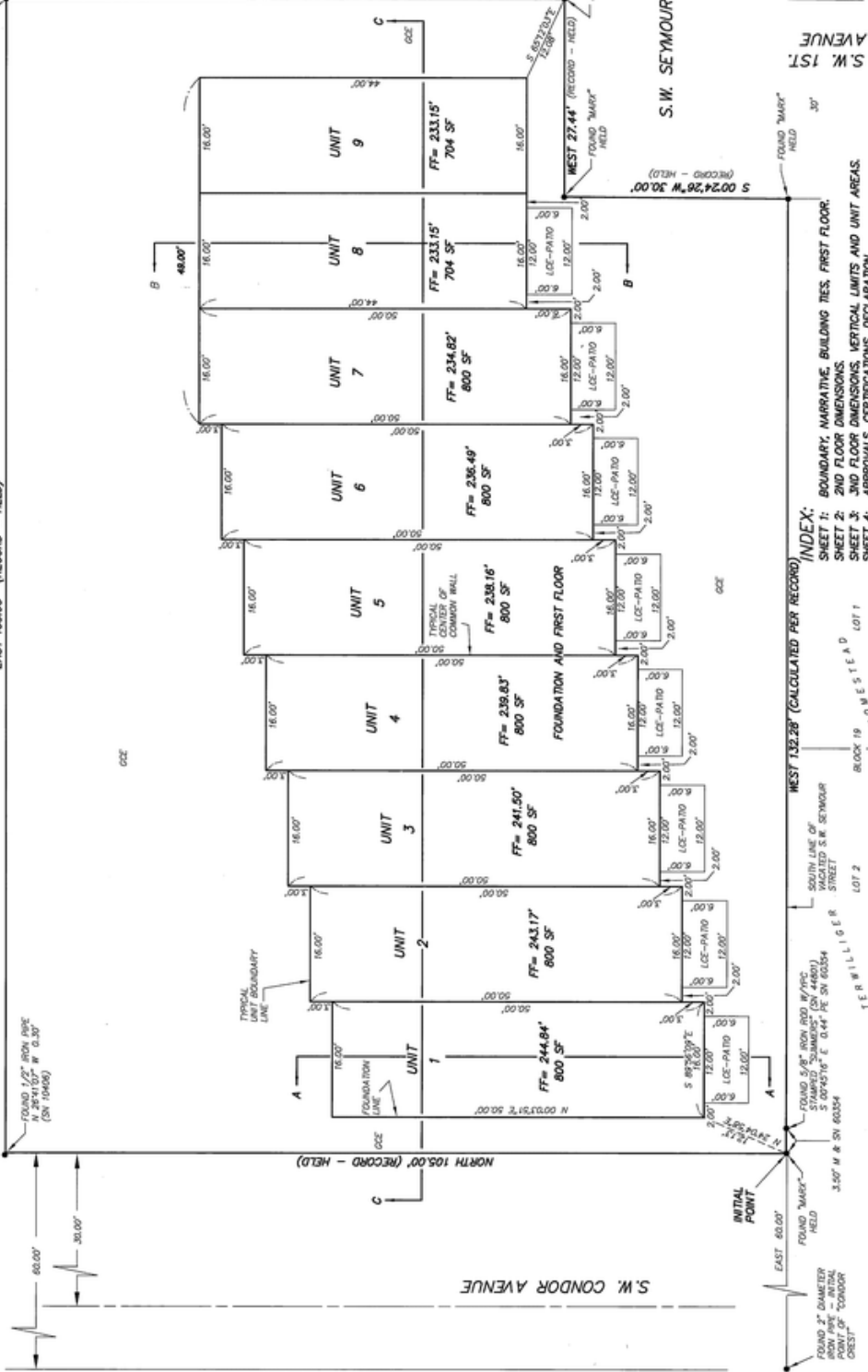
MARY ASSOCIATES:
 1000 N. W. 10TH AVENUE, SUITE 200
 PORTLAND, OREGON 97233
 TELEPHONE: 503-287-5550
 FAX: 503-287-5551
 EMAIL: DALE@MARYONLINE.COM
 FILE NO. 06-033 ROS

PORTLAND
 LOT 3
 BLOCK 9
 HOMESTEAD

EAST 159.93' (RECORD - HELD)



SOUTH 75.00' (RECORD - HELD)



S.W. SEYMOUR STREET

S.W. 1ST AVENUE

30'

S 00°24'26" W 30.00'

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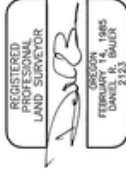
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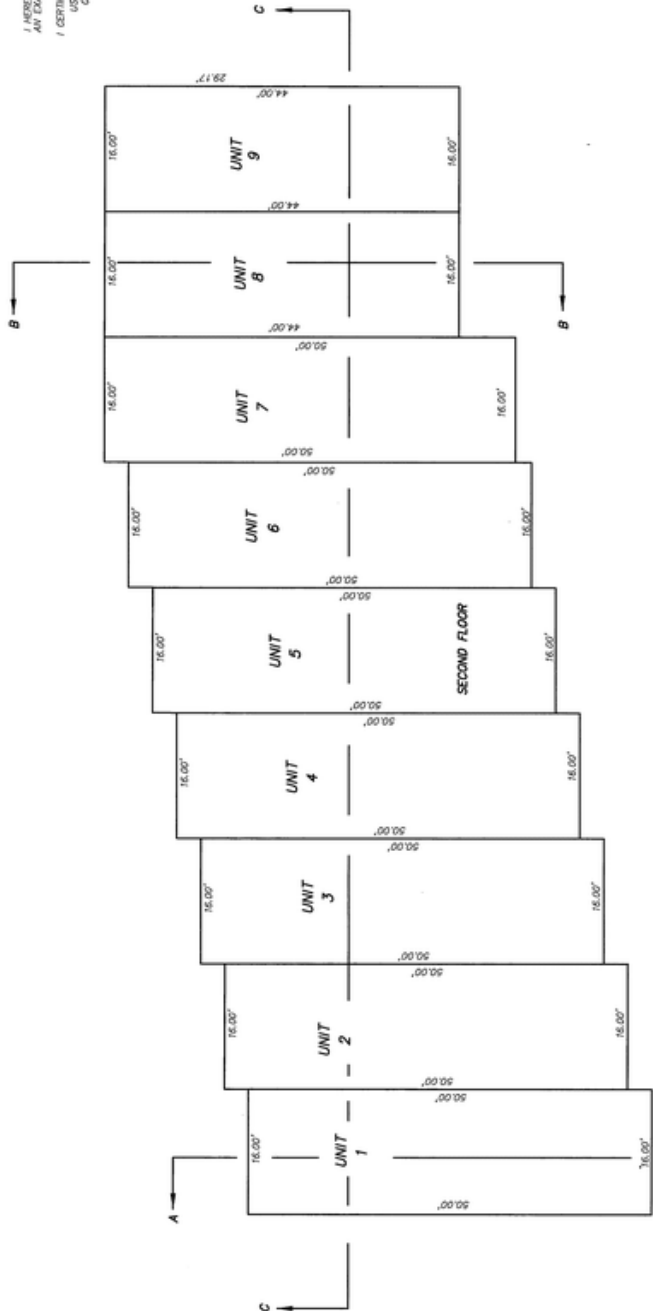
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 A PORTION OF LOT 3, BLOCK 9 OF "PORTLAND HOMESTEAD",
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 SURVEYED JANUARY 11, 2007

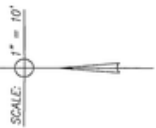
SURVEYED BY:
MARY ASSOCIATES
 18015 L. ARNOLD STREET
 PORTLAND, OREGON 97230
 TEL: 503-865-9750
 FAX: 503-865-8666
 EMAIL: DALE@MARYASSOCIATES.COM
 FILE NO. 06-033 ROS



I HEREBY CERTIFY THAT THIS TRACING IS
 AN EXACT COPY OF THE ORIGINAL P.L.A.T.
 I CERTIFY THAT THIS SURVEY WAS PREPARED
 USING HP PRODUCT #016454 ON
 OCE 86-5342 POLYESTER FILM.



- NOTES:**
- 1) ALL WALL CORNERS ARE AT RIGHT ANGLES TO EACH OTHER.
 - 2) DECKS ARE LIMITED COMMON ELEMENTS TO THE ATTACHED UNITS.
 - 3) ELEVATIONS ARE BASED UPON CITY OF PORTLAND BENCH MARK
 1000000.00 AT THE INTERSECTION OF S.W.
 SLAWN ROAD AND S.W. 2ND AVENUE. ELEVATION = 297.20'
 CITY OF PORTLAND DATUM.



CONDOR HEIGHTS CONDOMINIUMS
 A PORTION OF LOT 3, BLOCK 9 OF "PORTLAND HOMESTEAD",
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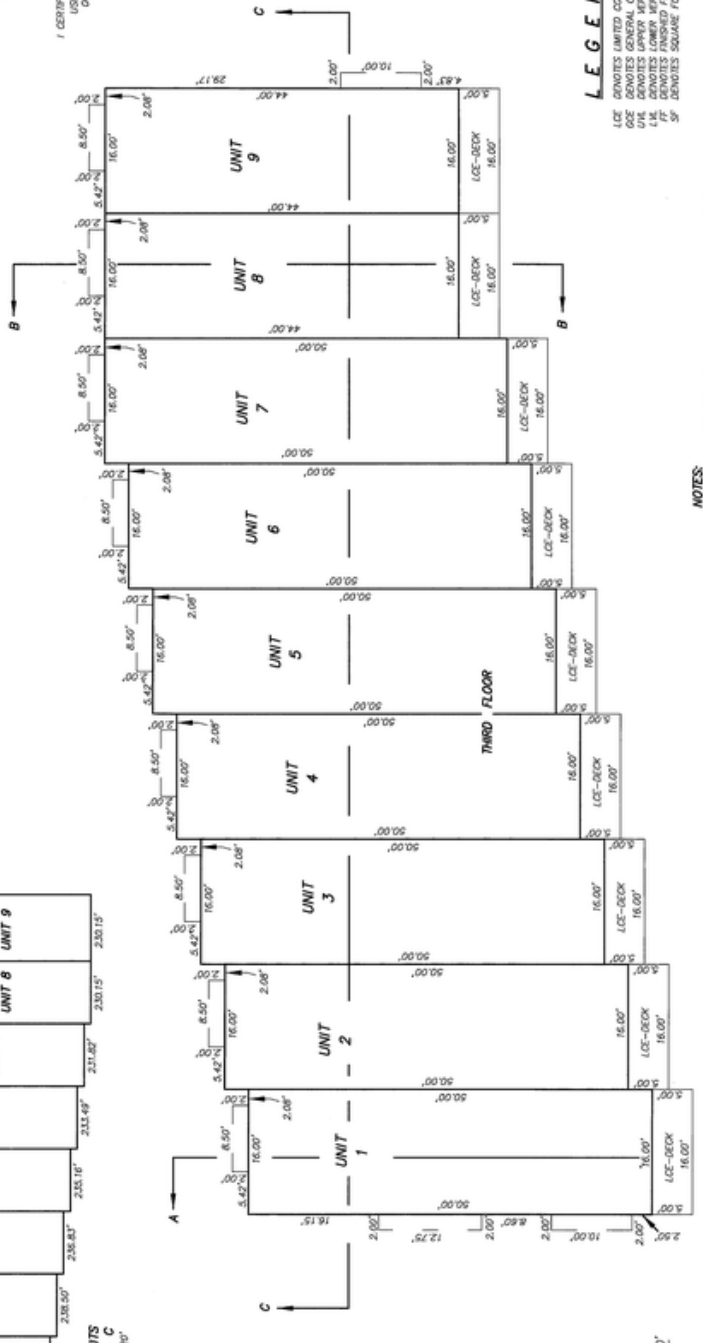
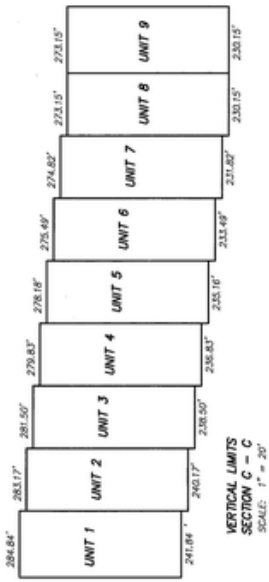
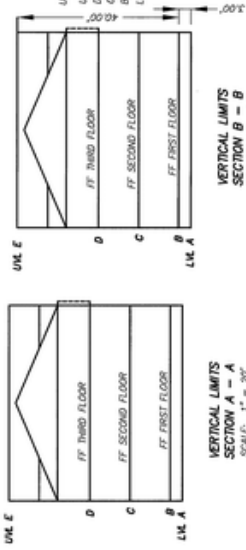
SURVEYED BY:
MARY ASSOCIATES,
 MARY L. ASSOCIATES
 PORTLAND, OREGON 97233
 TEL: 503-255-8888
 FAX: 503-463-8888
 EMAIL: DALE@MARYASSOCIATES.COM
 FILE NO. 06-033 PROS

REGISTERED
 PROFESSIONAL
 LAND SURVEYOR
 OREGON
 FEBRUARY 14, 1985
 LICENSE NO. 1233
 EXPIRATION DATE: 12/31/07

I CERTIFY THAT THIS SURVEY WAS PREPARED
 USING HP PRODUCT #55454 ON
 COE 86-842 POLYESTER FILM.

TABLE OF UNIT ELEVATION AND VERTICAL LIMITS

UNIT #	1	2	3	4	5	6	7	8	9
UL E	284.84'	283.17'	281.50'	279.83'	278.16'	276.49'	274.82'	273.15'	271.48'
D	284.37'	283.10'	281.43'	279.76'	278.09'	276.42'	274.75'	273.08'	271.41'
C	284.37'	283.10'	281.43'	279.76'	278.09'	276.42'	274.75'	273.08'	271.41'
B	244.84'	243.17'	241.50'	239.83'	238.16'	236.49'	234.82'	233.15'	231.48'
LL A	241.84'	240.17'	238.50'	236.83'	235.16'	233.49'	231.82'	230.15'	228.48'



LEGEND
 LCE DENOTES LIMITED COMMON ELEMENT
 GCE DENOTES GENERAL COMMON ELEMENT
 UVE DENOTES UPPER VERTICAL LIMIT
 FV DENOTES FINISHED FLOOR
 SF DENOTES SQUARE FOOT

NOTES
 1) ALL WALL CORNERS ARE AT RIGHT ANGLES TO EACH OTHER.
 2) DECKS ARE LIMITED COMMON ELEMENTS TO THE ATTACHED UNIT.
 3) ELEVATIONS ARE BASED UPON CITY OF PORTLAND BENCH MARK
 4) ELEVATION OF INTERSECTION OF S.W. SEYMOUR STREET AND S.W. 2ND AVENUE, ELEVATION = 297.23'
 CITY OF PORTLAND DATUM.

Multnomah County Official Records
Cindy Swick, Deputy Clerk

2008-003067

AFTER RECORDING RETURN TO:
Richard D. Franklin, Attorney at Law
P.O. Box 2187
Gresham, Oregon 97030



\$186.00

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01/04/2008 04:19:31 PM

1R-CONDODEC
\$170.00 \$11.00 \$5.00

Cnt=1 Stn=10 RECCASH1

**DECLARATION SUBMITTING
CONDOR HEIGHTS CONDOMINIUMS
TO CONDOMINIUM OWNERSHIP**

This Declaration, pursuant to the provisions of the Oregon Condominium Act, is made and executed by Pac-West Investments, Inc., a Nevada Corporation, duly registered as a foreign limited liability company in Oregon ("Declarant").

Recitals, Intent and Purpose

Declarant is owner in fee simple of the property described in Section 2, and desires to create a condominium to be known as CONDOR HEIGHTS CONDOMINIUMS, which will be located in the City of Portland, Multnomah County, Oregon. The purpose of this declaration is to submit the property described in Article 2 below to the condominium form of ownership and use in the manner provided by the Oregon Condominium Act.

NOW THEREFORE, Declarant does hereby declare and provide as follows:

1. DEFINITIONS. Except as otherwise provided or modified by this section, the terms herein shall have the meaning set forth in the Oregon Condominium Act, ORS 100.005 et seq., and the statute and definitions are incorporated herein by this reference. As used in this declaration and in the bylaws, the following terms shall have the following meanings:

"Act" means the Oregon Condominium Act, ORS 100.005 et seq., as it may from time to time be amended.

"Association" means the association of unit owners of Condor Heights Condominiums.

"Bylaws" mean the bylaws of the Association of Unit Owners of Condor Heights Condominiums, which are attached hereto as Exhibit B.

"Condominium" means the Condor Heights Condominiums, including all land, buildings, and appurtenant rights and easements.

1 - DECLARATION (Condor Heights Condominiums)

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"Declarant" means Pac-West Investments, Inc., a Nevada Corporation, duly registered as a foreign corporation in Oregon.

"Mortgage," "Mortgagee," and "Mortgagor" mean, respectively, a recorded first mortgage, first trust deed, or first contract of sale which creates a first lien against a unit, and the holder, beneficiary, or vendor of such a mortgage, trust deed, or contract of sale, but only when such holder, beneficiary, or vendor notifies the association in writing of the existence of such mortgage and gives the current name and mailing address of such holder.

"Plat" means the plat of Condor Heights Condominiums recorded simultaneously with the recording of this Declaration.

"Unit" means the structure including exterior walls and roof as well as interior surface of the perimeter walls, floors, and ceilings, excluding only foundations, which is owned in fee simple by each unit owner and which is more specifically described in Section 4 of this Declaration.

2. LAND DESCRIPTION OF PROPERTY SUBMITTED. Declarant currently owns fee simple title to the property and is submitting a fee simple interest hereunder. There is a trust deed in favor of Premier Lending, Inc., an Oregon corporation to secure construction financing. The property is located in the City of Portland, County of Multnomah, State of Oregon, at 4636 SW Condor, Portland, Oregon 97239, and which is legally described on Exhibit A attached hereto. 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.

3. NAME. The name by which the property submitted hereunder and subsequently annexed shall be known is Condor Heights Condominiums.

4. UNIT DESCRIPTION.

4.1 General Description of Buildings. The Condominium consists of one (1) building which shall contain Nine (9) separate condominium units. The building is new three (3) story wood frame construction with no basement. The foundation is concrete. The building has a combination of wood siding with cultured stone trim. The building has an architectural-style 50 year composition shingle roof.

4.2 General description of Units. Each unit is three stories high. The first floor contains a parking garage in the front portion and work room to the rear. The second floor contains a living room, kitchen, and dining area along with a half bath. This second floor is accessed from ground level by an interior stair well from a lockable weather front door. The third floor of each unit contains a master bedroom and a smaller bedroom, each with a dedicated full bath, along with a small laundry area. All units have the same basic floor plan, save for unit No. 1, which shall have a small den located on the third floor. The units are individually numbered 1 through 9 as shown on the plat being recorded simultaneously with the Declaration. The units will bear the same general street address "4636 SW Condor" but will be separately designated further by their unit numbers (example: Unit No. 1 will have a postal and street address of 4636 SW Condor Unit No. 1, Portland, Oregon 97239. Each unit will have separately metered utilities and separate utility lines including water.

4.3 Boundaries of Units. Each unit consists of the cubic airspace that encompasses the entire separate unit and shall be bounded by a perimeter which shall be on the outer most portion of the exterior of the building, with the exception of any common wall between one or more units, in which case the boundary at the common wall shall be the center of the common wall and extended to the outermost perimeter wall

line, all of which boundary shall include exterior windows and doors, foundation, eaves, roof overhangs, downspouts, exterior light fixtures and other appurtenances, (notwithstanding that the same may protrude into the common area) and shall include everything within the boundaries of the unit; to-wit: wiring, heating ducts, plumbing, utility and communication service lines, all interior surfaces, such as wallboard, plasterboard, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of its finished surfaces and the exterior surfaces so constituting any part of its finished surfaces and the exterior surfaces so described. *It is intended by this description that no portion of the structure be a general common element.* Vertical Limits: The vertical boundary of each unit shall run downward three (3.00') feet below the finished first floor elevation. The upper vertical boundary of each unit shall be forty (40.00') feet above such finished first floor elevation. Regardless, the unit shall not include any land, even though the lower vertical limit may penetrate the surface of the grade of the land.

In addition, each unit shall include the following:

(a) All spaces, non-bearing interior partitions, windows, window frames, exterior doors, door frames, and all other fixtures and improvements within the boundaries of the unit; and

(b) All utility and communications service lines, including, but not limited to, power, light, gas, hot and cold water, heating, refrigeration, air conditioning, waste disposal, security, cable television and telephone within the boundaries of the units.

In construing any deeds, mortgages, trust deeds, and other instruments for any purposes, whatsoever or in connection with any matter, the existing physical boundaries of the unit or of a unit reconstructed in substantial accordance with the original plans hereof shall be conclusively presumed to be the boundaries regardless of settling or rising, or lateral movement of the building and regardless of variances between boundaries as shown on the plat and those of the actual building or buildings.

The designation, location and area in square feet of each unit are shown below and on the Plat:

Unit No.	Street Address	Unit Area sq. ft. (footprint)	Living Area Total sq. ft.	Upper Vertical Limits
Unit 1	4636 SW Condor, Unit 1 Portland, Oregon 97239	800	1,978	284.84'
Unit 2	4636 SW Condor, Unit 2 Portland, Oregon 97239	800	1,894	283.17'
Unit 3	4636 SW Condor, Unit 3 Portland, Oregon 97239	800	1,894	281.50'
Unit 4	4636 SW Condor, Unit 4 Portland, Oregon 97239	800	1,894	279.83'
Unit 5	4636 SW Condor, Unit 5 Portland, Oregon 97239	800	1,894	278.16'
Unit 6	4636 SW Condor, Unit 6 Portland, Oregon 97239	800	1,894	276.49'
Unit 7	4636 SW Condor, Unit 7 Portland, Oregon 97239	800	1,894	274.82'

3 – DECLARATION (Condor Heights Condominiums)

Unit 8	4636 SW Condor, Unit 8 Portland, Oregon 97239	704	1,686	273.15
Unit 9	4636 SW Condor, Unit 9 Portland, Oregon 97239	704	1,772	273.15'

* The Unit Area in Square Feet is measured from the outside foundation wall, were applicable to the center of the interior common wall where applicable. This square footage does not represent the square footage of the living area.

** The Living Area in Square Feet is the square footage of that area of the Unit within and including the area of the outside walls. This living area in square footage does not include the garage. The breakdown of the living area by floor is:

Units 1 through 7 first floor/garage contains 240 sq. feet of living space and 560 garage feet of garage space

Units 8 and 9 first floor garage have 160 sq. feet of living space and 544 sq. feet of garage space.

Unit No. 1 has 860 sq. feet of second floor living space and 878 sq. feet of third floor living space.

Unit No.s 2 through 7 have 818 sq. feet of second floor living space and 836 sq. feet of third floor living space.

Unit No. 8 has 754 sq. feet of second floor living space and 772 sq. feet of third floor living space.

Unit No. 9 has 754 sq. feet of second floor living space and 808 sq. feet of third floor living space.

The vertical and horizontal boundaries, number designation, location and the dimensions of each unit and the designation, location, description of boundaries, and the limited common elements reserved to each unit are also shown on the Plat being recorded simultaneously with this Declaration and made a part of this Declaration as if fully set forth herein.

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

5. GENERAL COMMON ELEMENTS.

The general common elements consist of all portions of the Condominium not part of a unit or a limited common element, including, but not limited to the following, the land, the grounds to the extent they are not designated as a limited common element, the main sewer line and laterals to each unit to the point of entry of the lateral to an individual unit, storm water system, the drive way, sidewalks and utilities servicing this property, the stone wall (with sliding security gate) and all other elements of the buildings and the condominiums necessary or convenient to its 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. The General Common Elements are designated on the Plat as "GCE."

6. LIMITED COMMON ELEMENTS

Each unit has the following, as a limited common element, the following, the use of which is

4 – DECLARATION (Condor Heights Condominiums)

restricted to the Unit to which each such limited common element adjoins and pertains, as shown on the Plat: (a) The patio adjacent to a unit and all improvements located within this designated area including steps and porches; and (b) the decks attached to a unit. Limited Common Elements are designated on the Plat as "LCE DECK" and/or "LCE Patio."

7. ALLOCATION OF UNDIVIDED INTERESTS IN COMMON ELEMENTS.

Each unit is entitled to an undivided one-ninth ownership interest in the common elements. The interest of each unit in the common elements shall be inseparable from the unit and any conveyance, encumbrance, judicial sale, or other transfer, voluntary or involuntary, of an undivided interest in the common elements shall be void unless the unit to which that interest is allocated is also transferred. The undivided interest of each unit shall be deemed to be conveyed or encumbered with conveyance or encumbrance of said unit, even though the description in the instrument of conveyance or encumbrance may refer only to title in the unit. Method of allocation: There being nine (9) units in the Condor Heights Condominiums, and it being the intent of the Declarant that each unit have the same pro rata interest in the common elements, there is allocated to each unit an undivided one-ninth (1/9) in the General Common Elements of the Condor Heights Condominiums.

8. PARKING.

Each unit includes a garage which is suitable for two (2) standard sized motor vehicles. There is no other parking for unit owners or visitors except on the city streets adjacent to the condominium.

9. VOTING; COMMON PROFITS AND EXPENSES.

9.1 Allocation of Voting Rights. The owner or co-owners of each unit shall be entitled to one vote per unit. "Majority" or "majority of unit owners" shall mean the owners of more than 50% of the voting rights allocated to the units by declaration. The calling and conducting of meetings of the association of unit owners and the exercise of voting rights shall be as specified in the Bylaws.

9.2 Allocation of Common Profits and Expenses. The common profits and common expenses of the condominium shall be allocated to the owner of each unit equally, so that each unit shall be entitled to and bear one-ninth of such profits and expenses. Except upon termination of the condominium or as otherwise provided in these 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 or reserves of the Association.

10. 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 Oregon Real Estate Agency in accordance with ORS 100.250(1).

11. USE OF PROPERTY. Each unit is to be used for residential purposes as described in the Bylaws. Additional limitations on use are contained in the Bylaws and the rules and regulations adopted pursuant to the Bylaws. Each unit owner shall be bound by each of said documents.

12. MAINTENANCE, REPAIR, AND REPLACEMENT OF COMMON ELEMENTS; LIABILITY FOR COMMON EXPENSE.

12.1 General Common Elements. Except as otherwise specifically provided in this Declaration, the cost of maintenance, repair, and replacement of the general common elements shall be a common expense, and the performance of such work shall be the responsibility of the association, except that any damage caused by the negligence or intentional act of an owner, his or her invitee, guest, or servant shall be repaired

by the association at such owner's sole cost and expense. Common expenses shall be assessed and apportioned among the owners as set forth in Section 9[b] above. However, each unit owner shall be responsible for the cost of maintenance, repair and replacement of the lateral sewer line from his or her unit to the point of connection with the main line which services all the units and which connects to city sewer.

12.2 Limited Common Elements. Except as otherwise specifically provided in this Declaration, the cost of maintenance, repair and replacement of the limited common elements shall be the expense of the unit owner to which said common elements appertain, and the performance of such work shall be the sole responsibility of the unit owner. The unit owners shall be individually responsible for restoration to any existing paving, grade, landscaping and other similar items disturbed during said maintenance, repair and replacement.

12.3 Mortgagee's Rights upon Failure to Maintain. If the mortgagee of any unit determines that the board of directors of the association is not providing an adequate maintenance, repair and replacement program for the common elements, such mortgagee, at its option, may give a notice to the board of directors by delivering such notice to the registered agent, setting forth the particular defect(s) which it believes exists in the maintenance, repair and replacement program. If the specified defect(s) are not corrected within 90 days subsequent to receipt of such notice, then the mortgagee, upon written notice to the registered agent that it is exercising its proxy rights, shall have the right to attend succeeding annual or special meetings of the association and to cast a vote for each unit on which it hold a mortgage on all business coming before such meeting. Such proxy rights shall continue until the defects listed on the notice are corrected.

13. EASEMENTS.

13.1 In General. Each unit owner has an unrestricted right of ingress and egress to his or her unit and use of the access and utility easement serving the property. These rights are perpetual and pass with the ownership of the unit.

13.2 Encroachments. Each unit and all common elements shall have an easement over all limited and common elements for the purpose of accommodating any present or future encroachment as a result of any engineering errors, construction, reconstruction, repairs, settling, 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 the 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. The encroachment described in this Section shall not be construed to be encumbrances affecting the marketability of title to any unit.

13.3 Granting of Easements by Association. The Association, upon prior approval of all of the unit owners, shall have the authority to execute, acknowledge, deliver, and record on behalf of the unit owners, easements, rights-of-way, licenses, and other similar interests affecting the general common elements. The instrument granting any such interest shall be executed by the chairperson and the secretary of the Association and acknowledged in the manner provided for acknowledgment of such instruments by such officers and shall state that such grant was approved by all of the unit owners. No such interest may be granted with regard to a limited common element unless the owners and mortgagees of the units having the right to use such limited common element consent to and join in the instrument granting the interest.

14. APPROVAL BY MORTGAGEES

14.1 Definitions. As used herein, the following terms shall have the following meanings:

[a] "Mortgage" means a recorded mortgage or trust deed creating a lien against a unit; and

[b] "Eligible mortgage holder" means a holder of a first mortgage on a unit who has requested notice of certain matters from the Association in accordance with Section 14.3 below.

14.2 Notice to Association. At the request of the board of directors of the Association, each owner shall promptly provide to the board the name and address of the mortgagee or mortgagees of his unit.

14.3 Notice to a Holder, Insurer, or Guarantor of a Mortgage. Upon written request to the Association identifying the name and address of the holder, insurer, or guarantor and the unit number or address of the unit on which it has (or insures or guarantees) the mortgage, any such eligible mortgage holder or eligible insurer or guarantor shall be entitled to timely written notice of the following:

[a] Any condemnation or casualty loss which 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 an owner of any unit 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 which would require consent of a specified percentage or eligible mortgage holders as required in this section.

14.3 Termination and Amendment to Documents. Except with respect to termination of the Condominium as a result of destruction, damage, or condemnation, any termination of the Condominium shall require the approval of eligible mortgage holders representing at least sixty-seven percent (67%) of the votes of units that are subject to mortgages held by said eligible mortgage holders. This approval shall be in addition to such other approvals and procedures as may be required by the Declaration, Bylaws and Act.

14.4 Consent to Amendment of Documents.

[a]The Declaration may be amended by approval of a majority of the unit owners; provided, however:

(1) Any amendment which relates to age restrictions, pet restrictions, limitations on the number of people who may occupy units, and limitations on the rental or leasing of units must be approved by unit owners holding at least seventy-five percent (75%) of all the votes; and

(2) Declarant's written consent to any amendment shall be required until the earlier of the following dates:

(a) the date on which seventy-five percent (75%) of the total number of units which Declarant may submit to the condominium have been conveyed to persons other than Declarant, or

(b) the date which is the fifth anniversary of the recording of the Declaration, and prior to the recordation of such amendment, the Association will submit the proposed Amended Bylaws or Amendment to a Bylaw to the Oregon State Real Estate Commissioner for approval in accordance with the Act. The Commissioner's approval is not required for an amendment to the Bylaws adopted five (5) years after the Bylaws are initially recorded.

(3) If approved, said amendments shall be recorded in Multnomah County.

[b] Except as otherwise provided in the Act, the approval of eligible mortgage holders representing at least fifty-one percent (51%) of the votes of units that are subject to mortgages held by eligible mortgage holders shall be required for any amendments of a material nature to the Declaration or Bylaws. Any amendment to the Declaration or Bylaws which changes any of the following would be considered as material:

- [1] Voting rights;
- [2] Increases in assessments, if any, that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens or the priority of assessment liens;
- [3] Reductions in reserves, if any, 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] Redefinition of any unit boundaries;
- [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] Hazard insurance or fidelity bond requirements;
- [10] Imposition of any restrictions on the leasing of units;
- [11] Imposition of any restriction on a unit owner's right to sell or transfer his or her unit;
- [12] Restoration or repair of the condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the Declaration, Bylaws, or Act;
- [13] Any action to terminate the legal status of the condominium after substantial destruction or condemnation occurs; or
- [14] Any provisions that expressly benefit mortgage holders, insurers, or guarantors.

[c] An addition or amendment to the Declaration or Bylaws shall not be considered material for purposes of the preceding subsection if it for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who receives a written request, delivered by certified or registered mail, return receipt requested, 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 after receipt of such request shall be deemed to have approved such request.

14.5 Additional approvals. In addition to any other approvals required by the Act, this Declaration or the Bylaws, the prior written approval of two-thirds of the holders of first mortgages on units in the

Condominium (based upon one vote for each first mortgage owned) or unit owners (other than Declarant) must be obtained for the following:

[a] Abandonment or termination of the condominium regime.

[b] Any change in the pro rata interest or obligations of any individual unit for (a) the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (b) determining the pro rata share of ownership in the common elements.

[c] The partition or subdivision of any unit.

[d] 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.

[e] 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 project.

14.6 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 owner of the mortgaged unit of any obligation under this Declaration, the rules and regulations or the Bylaws which is not cured within sixty (60) days.

14.7 Mortgagee's Request for Professional Management. Upon written request of eligible mortgage holders representing at least fifty-one percent (51%) of the votes of units that are subject to mortgages held by eligible mortgage holders, the board of directors of the Association shall employ a professional manager to manage the affairs of the Association. Any agreement for professional management shall be consistent with Section 15.5 below.

14.8 Discharge of Lien upon Foreclosure. Where the purchaser of a unit obtains title to a unit as a result of foreclosure of the first mortgage or first trust deed, such purchaser, his successors and assigns, shall not be liable for any of the assessments against such unit or its owner which became due prior to the acquisition of title to such unit by such purchaser. Such unpaid assessments shall be a common expense of all the unit owners including such purchaser, his successors and assigns.

14.9 Right to Receive Written Notice of Meetings. A holder of a first mortgage or first trust deed shall, upon written request to the Association, be entitled to receive notice of all meetings of the Association and shall be entitled to designate a representative to attend all such meetings.

14.10 Right to Examine Books and Records. All mortgagees (including insurers and guarantors of mortgages) shall have the right to examine the books and records (including the Declaration, Bylaws, rules and regulations, and financial statements) of the Association upon written request. Such books and records shall be available for duplication at reasonable times. A mortgagee shall be entitled to have an audited financial statement prepared at his own expense if such audited statement is not otherwise available to the Association. The Association's board of directors and its officers shall cooperate to facilitate the necessary auditing and review process.

14.11 Approval of Veterans Administration. If the condominium has been approved by the Veterans

Administration, the condominium regime, including the Declaration or Bylaws, may not be amended without the prior written approval of the Veterans Administration.

15. ASSOCIATION OF UNIT OWNERS.

15.1 Organization. Upon the execution and recording of this Declaration, the Association shall be organized to serve as a means through which the unit owners may take some action with regard to the administration, management and operation of the condominium.

15.2 Membership; Board of Directors. Each unit owner shall be a member of the Association, and membership herein shall be limited to unit owners only. The affairs of the Association shall be governed by a Board of Directors as provided in the Bylaws.

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

Upon the execution and recording of this Declaration, Declarant shall adopt Bylaws for the Association, which Bylaws are attached hereto as **Exhibit B**. Declarant will appoint an interim Board of Directors for the Association. Declarant hereby reserves the right to control the Association until the earlier of a) the date of conveyance to persons other than Declarant of seventy-five (75%) of the units, or b) three years from the date the first unit is conveyed, which ever occurs first. Accordingly, upon the recording of this Declaration and Bylaws, the interim Board of Directors shall serve until the turnover meeting is held as provided in the Bylaws.

15.5 Management Agreements; Contracts and Leases. The Board of Directors, including the interim Board of Directors, shall have the right to contract with a professional manager or management firm to manage the affairs of the Association. However, if entered into prior to the turnover meeting of the condominium, no management agreement, service contract or employment contract which is directly made by or on behalf of the Association, the Board of Directors, or the unit owners as a group shall be in excess of three years and may be terminated without penalty by the Association or the Board of Directors upon not less than thirty (30) days written notice to the other party, which notice shall be given not later than sixty days (60) days after the turnover meeting.

15.6 Arbitration. In the event of a disagreement between the owners (whether acting as owners or directors) and in order to break a tie vote, the issue or issues, at the request of any owner, shall be submitted to arbitration, in accordance with the commercial arbitration rules of the Arbitration Service of Portland ("ASP"). In the event of referral to arbitration the owner requesting the arbitration shall submit the fee to initiate arbitration. However, the final cost of said arbitration shall ultimately be borne as determined by the arbitrator.

16. AMENDMENT

16.1 Approval Required. Except as may otherwise be provided in this Declaration or by the Oregon Condominium Act, the Declaration may be amended, in accordance with ORS 100.135, if such amendment is approved by seventy-five percent (75%) or more of all votes of the unit owners, which because there are only three units means that all unit owners must approve such amendment. Except as otherwise provided by the Act, no amendment may change the allocation of undivided interest in the common elements, method of determining liability for common expenses, rights to common profits, or voting rights of any unit unless such amendment has been approved by the owners of the affected units and the holders of any mortgage or trust deed on such units.

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

17. DECLARANT'S RIGHTS.

Notwithstanding any provision to the contrary in this Declaration or the Bylaws, Declarant shall have the following special rights:

17.1 Amendment to Declaration and Bylaws. No amendment to the Declaration and Bylaws shall be effective without the written consent of Declarant until the earlier of the following dates: (a) the date on which seventy-five percent (75%) of the units have been conveyed to persons other than the Declarant, or (b) the date which is the third anniversary of the recording of this Declaration.

17.2 Assessments for Additional Capital Improvements. No units owned by Declarant shall be assessed by the Association or the Board of Directors for the construction or acquisition of additional capital improvements without the written consent of Declarant until the earlier of the following dates: (a) the date on which Declarant owns no more than one unit or five percent of the units submitted to the condominium, whichever is greater, or (b) the date which is the third anniversary of the recording of this declaration.

17.3 Development Easement. Declarant and its agents shall have an easement over and upon the common elements and limited common elements as may be reasonably necessary for the purpose of completing any portion of the condominium, discharging any obligation of Declarant, and/or carrying out sales and rentals of units and advertisements thereof, including posting signs on the property. Declarant shall have the right to use units owned by Declarant as model units and shall have the right to use a unit as a sales office.

17.4 Other. Declarant shall be entitled to any and all other special Declarant rights, in addition to those specified herein, that are reserved for the benefit of or created by the Declarant under this Declaration, Bylaws or the provisions of the Act.

18. SEVERABILITY.

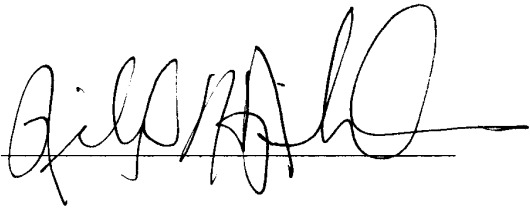
Each provision of this Declaration and the Bylaws shall be deemed independent and severable, and the validity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision of this Declaration or the Bylaws.

19. CONFLICTING PROVISIONS.

In the event of a conflict between or among the Declaration, Bylaws and any administrative rules and regulations, the provisions of the Declaration shall have priority over the Bylaws and the rules and regulations, and the Bylaws shall have priority over the rules and regulations. For the purposes of this section, the term Adeclaration shall include all amendments and the term Abylaws shall include all amendments.

20. APPLICABILITY

Each unit owner, including Declarant as to any unsold unit, shall be subject to all of the

By: 

The foregoing Declaration is approved pursuant to ORS 100.110 this ¹⁵ 30th day of August, 2007, and in accordance with ORS 100.110(7), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this date.

~~SCOTT W. TAYLOR~~ *Gene Bentley*
Real Estate Commissioner

By: 

A portion of Lot 3, Block 9, PORTLAND HOMESTEAD, together with a portion of SW Seymour Street vacated by City of Portland Ordinance No. 152630 and recorded January 18, 1982 in Book 1574, Page 228, Multnomah County Deed Records, all located in the Northwest one-quarter of Section 15, Township 1 South, Range 1 East of the Willamette Meridian, in the City of Portland, County of Multnomah, State of Oregon and being more particularly described as follows:

Commencing at a found 2" iron pipe at the Southeast corner of CONDOR CREST, in the City of Portland, County of Multnomah, State of Oregon; thence East 60.00 feet to the initial point of this plat, being a 5/8" iron rod with yellow plastic cap stamped "Marx Assoc." found at the Southwest corner of the certain tract of land conveyed to Pac-West investments, Inc., a Nevada corporation, by Statutory Warranty Deed recorded as Document No. 2006-120149, Multnomah County Deed Records; thence North along the West line of said Pac-West tract, also being the East right-of-way line of SW Condor Avenue (being 60.00 feet wide), a distance of 105.00 feet to the Northwest corner of said Pac-West tract; thence East along the North line of said Pac-West tract, a distance of 159.93 feet to the Northeast corner thereof; thence South along the East line of said Pac-West tract, a distance of 75.00 feet to a point on the North right-of-way line of SW Seymour Street (being 30.00 feet wide); thence West along said North right-of-way line, a distance of 27.44 feet to a point on the Northerly extension of the centerline of SW 1st Avenue; thence South 00°24'26" West along the Northerly extension of said centerline, a distance of 30.00 feet to the Southerly Southeast corner of said Pac-West tract, being a point on the Easterly extension of the North line of block 19, TERWILLIGER HOMESTEAD; thence West along said Easterly extension and the North line of said Block 19, a distance of 132.28 feet to the point of beginning.

EXHIBIT A

EXHIBIT B
to the Declaration Submitting
Condor Heights Condominiums
to Condominium Ownership

AFTER RECORDING RETURN TO:
Richard D. Franklin, Attorney at Law
P.O. Box 2187
Gresham, Oregon 97030

**BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF
CONDOR HEIGHTS CONDOMINIUMS**

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section I. 1. Name and Location. These are the Bylaws of the unincorporated ASSOCIATION OF UNIT OWNERS OF CONDOR HEIGHTS CONDOMINIUMS (hereafter the "Association"). Condor Heights Condominiums are located in the City of Portland, Multnomah County, Oregon. The land including all buildings, improvements and structures, all easements, and rights and appurtenances located on, belonging to or used in connection with such land have been submitted to the Oregon Condominium Act by a "declaration" filed simultaneously herewith (thereafter "the Declaration"). The location of the condominium is more specifically described in the Declaration.

Section I. 2. Principal Office. The principal office of the Association shall be located at such address as may be designated by the Board of Directors from time to time.

Section I. 3. Purposes. This association is formed under the provisions of the Oregon Condominium 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.

Section I. 4. Applicability of Bylaws. The Association, all present and future unit owners, tenants, future tenants, or their employees, Declarant and its successors and assigns, and all persons using the condominium in any manner shall be subject to these Bylaws and to all rules and regulations which may be promulgated hereunder.

Section I. 5. Composition of Association. The Association shall be composed of all the unit owners of the condominium, including the Declarant, and the Association, itself, to the extent any of these own any unit or units of the condominium.

Section I. 6. Definitions. Except as otherwise provided herein, the definitions contained in or adopted by the Declaration shall be applicable to these Bylaws.

Section I. 7. Incorporation. Upon approval by a majority vote of the unit owners, the Association may be incorporated under Oregon Nonprofit Corporation law. In such event, the Articles of Incorporation shall be consistent with the Declaration and these Bylaws, and these Bylaws shall constitute the Bylaws of the incorporated association.

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

1 - Bylaws - Condor Heights Condominiums

Section II. 1. Membership in the Association. Upon becoming legal owner or contract purchaser of a unit, said owner shall automatically be a member of the Association and shall remain a member of the Association until such time as his or her ownership ceases for any reason. Unit ownership shall be determined, for all purposes of the Bylaws and the administration of the property, from the record of unit ownership maintained by the Association. The Board of Directors may, at its discretion, require that a unit owner file with the Association satisfactory proof of ownership, including a copy of the deed to or land sale contract for his or her unit, to which shall be affixed the certificate of the recording office of the County of Multnomah, Oregon, showing the date and place of recording of such deed or contract. Notwithstanding the foregoing, the Declarant shall be the owner of all previously unsold units, although no deed or land sale contract, with respect to such units, has been filed with the Association.

Section II. 2. Voting. The owners of each unit shall have one vote. The Declarant shall be entitled to vote as the unit owner of any previously unsold unit(s). The Board of Directors shall be entitled to vote as to any units owned by the Association. Whenever any unit is owned by two or more persons jointly, according to the records of the Association, the vote of such unit may be exercised by any one of the owners then present, in the absence of protest by a co-owner, unless a valid court order establishes the authority of a co-owner to vote. In the event of disagreement among the co-owners, the vote of such unit shall be disregarded completely in determining the result of a vote on the matter, unless a valid court order establishes the authority of a co-owner to vote. The calling and conducting of meetings of the Association shall be controlled by Articles II and III of these Bylaws.

Section II. 3. Binding Vote; Percent of the Vote. The term "binding vote" shall mean more than fifty percent (50%) of the vote of unit owners, present in person or by proxy, at a meeting at which a quorum is constituted. Such binding vote shall bind all unit owners for all purposes except where a higher percentage is required by law, by the Declaration or by these Bylaws. The term "Percent of all votes" shall mean a percent of all the voting rights allocated to the units by the Declaration.

Section II. 4. Majority Vote. The term "majority vote" or "majority of unit owners" means more than fifty percent (50%) of the voting rights allocated to the units by the Declaration.

Section II. 5. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a majority of unit owners shall constitute a quorum. A subsequent joinder of a unit owner in the action taken at a meeting by signing and conferring in the minutes thereof shall 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 owners cannot be organized because of a lack of quorum, the owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, as provided in Article III, Section 7 of these Bylaws.

Section II. 6. Proxies. A vote may be cast in person 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 (in the presence of a notary) by such owner, and shall be filed with the Secretary. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy, and every proxy shall automatically cease upon sale of the unit by its owner. A unit owner may pledge or assign his or her voting rights to a mortgagee. In such a case, the mortgagee or its designated representative shall be entitled to receive all notices to which the unit owner is entitled hereunder 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 of Directors. Any first mortgagee may designate a representative to attend all or any meetings of the Association.

Section II. 7. Fiduciaries. 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 by such person in such capacity, whether or not the same shall have been transferred to his name; provided, that he or she shall satisfy the Secretary that he or she is the executor, administrator, guardian or trustee, holding such unit in such capacity.

Section II. 8. Authority to Vote. All unit owners shall be entitled to vote, and this shall be true if they have leased their premises to a third party. A unit owner's right to vote may not be revoked.

Section II. 9. Arbitration. In the event of a disagreement between owners (whether acting as owners or directors) and in order to break a tie vote, the issue or issues, at the request of any owner, shall be submitted to an arbitration in accordance with the commercial arbitration rules of the Arbitration Service of Portland ("ASP"). In the event of referral to arbitration the owner requesting arbitration shall submit the fee to initiate arbitration. However, the final cost of said arbitration shall ultimately be borne as determined by the arbitrator.

Section II. 9. ORS 100.405 Compliance. In the event that any clause or provision of these Bylaws is in violation or conflict with the requirements of ORS 100.405, such clause or provision shall be deemed invalid and the relevant ORS 100.405 shall be construed to have been incorporated into these Bylaws and shall otherwise govern the association. In the event that these Bylaws

are devoid of language required by ORS 100.405, such language is deemed to be incorporated herein by reference.

ARTICLE III MEETINGS OF THE ASSOCIATION

Section III. 1. Place of Meetings. Meetings of the Association shall be held at such suitable place convenient to the unit owners as may be designated by the Board of Directors.

Section III. 2. Informational Meetings. The initial meeting of the Association shall be the turnover meeting as provided below. However, prior to such meeting, the Declarant may call meetings of the unit owners, formally or informally, for such purposes as Declarant deems necessary or appropriate.

Section III. 3. Turnover Meeting. Within ninety (90) days of the earlier of: a) the date of conveyance to persons other than the Declarant of seventy-five (75%) of the units; or b) three years from the date the first unit is conveyed, the Declarant shall call a meeting of the unit owners for the purpose of transferring control of the Association to all unit owners, including Declarant. Notice of such meeting shall be given to each unit owner at least seven (7) days but not more than fifty (50) days prior to the meeting and shall state the purpose and the time and place where it is to be held. At such turnover meeting, the interim Board of Directors will resign and successor directors will be appointed by the unit owners as provided in Article IV, Section 3, of these Bylaws. In the event that Declarant fails to call the meeting within the time specified, a unit owner may call the meeting.

Section III. 4. Annual Meeting. The first annual meeting of the Association shall be held approximately one year following the turnover meeting and shall be set by action of the Board of Directors. The date of successive annual meetings may be changed from time to time, but must be held annually. At such meetings those members of the Board of Directors whose terms have expired shall be replaced by the unit owners in accordance with the provisions of Article IV, Section 3, of these Bylaws. The unit owners may also transact such other business of the Association as may properly come before them.

Section III. 5. Special Meetings. Special meetings of the Association may be called by the chairperson of the Board of Directors, a majority of the Board of Directors or upon a petition signed by at least thirty percent (30%) of the unit owners, according to their voting rights, having been presented to the Secretary. All meetings called because of petition of unit owners shall be held at a formal gathering and not by ballot. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all the unit owners or as otherwise set out in these Bylaws.

Section III. 6. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each meeting of the unit owners stating the purpose thereof and the time and place where it is to be held, to each owner of record, at least ten (10) days but not more than fifty (50) days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. The mailing shall be to the owner's address last given to the Secretary in writing by the unit owner. If unit ownership is split or the unit has been sold on contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If no address has been given to the Secretary in writing, then mailing to the condominium unit shall be sufficient. The mailing or actual delivery of a notice in the manner provided in this Section shall be considered notice served. Notice of a meeting may be waived in writing by any unit owner before or after the meeting.

Section III. 7. Adjourned Meetings. If a meeting of unit owners is not legal because a quorum is not present, the owners who are present, whether in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called. No notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place. The adjournment provisions hereunder do not apply to ballot meetings.

Section III. 8. Order of Business. The order of business at meetings of the unit owners shall be as follows:

- [a] Roll call.
- [b] Proof of notice of meeting or waiver of notice.
- [c] Reading of minutes of the preceding meeting.
- [d] Reports of officers.
- [e] Reports of committees, if any.
- [f] Appointment of directors.
- [g] Unfinished business.
- [h] New business.

[i] Adjournment.

Section III. 9. Rules of Order.

[a] Unless other rules of order are adopted by a resolution of the Association or its Board of Directors, pursuant to ORS 100.409, all meetings of the Association and the Board of Directors shall be conducted according to the latest edition of Robert's Rules of Order published by the Robert's Rules Association.

[b] A decision of the Association or the Board of Directors may not be challenged because the appropriate rules of order were not used unless a person entitled to be heard was denied the right to be heard and raised an objection at the meeting in which the right to be heard was denied.

[c] A decision of the Association and the Board of Directors is 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.

Section III.10. Written Ballot in Lieu of Meeting.

[a] At the discretion of the Board of Directors, 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 Association member who is entitled to vote on the matter. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action.

[b] The Board of Directors shall provide unit owners with at least ten (10) days notice before written ballots are mailed or otherwise delivered. If, at least three days before the written ballots are scheduled to be mailed or otherwise delivered, at least 10% of the unit owners petition the Board of Directors requesting secrecy procedures, a written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the owner and instructions for marking and returning the ballot.

[c] Matters voted on by written ballot shall be deemed approved or rejected as follows:

[1] If approval of a proposed action otherwise would 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 shall be deemed to be approved when the date for return of the ballots has passed, a quorum of unit owners has voted and the required percentage of approving votes has been received. Otherwise, the proposal shall be deemed to be rejected.

[2] 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 shall 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 shall 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. The votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date on which they are counted.

[3] All solicitations for votes by written ballot shall state the following: [i] If approval of a proposal by written ballot requires that the total number of votes cast equal or exceed a certain quorum requirement, the number of responses needed to meet such quorum requirement; and [ii] If approval of a proposal by written ballot requires that a certain percentage of total votes cast approve the proposal, the required percentage of total votes needed for approval.

[4] All solicitations for votes by written ballot shall specify the period during which the Association shall accept written ballots for counting, which period shall end on the earliest of the following dates: [i] If approval of a proposed action by written ballot requires that a certain percentage of the unit owners approve the proposal, the date on which the Association has received a sufficient number of approving ballots; [ii] If approval of a proposed action by written ballot requires that a certain percentage of the unit owners approve the proposal, the date on which the Association has received a sufficient number of disapproving ballots to render approval impossible; and [iii] In all cases, a date certain on which all ballots must be returned to be counted. A written ballot may not be revoked.

**ARTICLE IV
BOARD OF DIRECTORS
QUALIFICATIONS, SELECTION, MEETINGS**

Section IV. 1. Number and Qualification. Except as provided in Section 2, the affairs of the Association shall be governed by a Board of Directors composed of three (3) persons. A director must be the owner or co-owner of a unit. For purposes of this Section, the officers of any corporate owner, the members of any limited liability company, and the partners of any partnership shall be considered co-owners of any units owned by such corporation, limited liability company or partnership. The qualifications for directors set forth herein do not apply to interim directors appointed by Declarant.

Section IV. 2. Interim Directors. Upon the recording of the Declaration, the Declarant will appoint an interim board of one director who shall serve until replaced by Declarant or until his successor has been appointed by the unit owners as hereinafter provided.

Section IV. 3. Election and Term of Office. At the turnover meeting, the interim director shall resign and the owner or owners of each unit shall elect three directors to the Board of Directors. At the turnover meeting of the Association, the term of office of one director will be fixed for a term of three years, one for a term of two years, and one for a term of one year. At the expiration of the initial term of office of each respective director, a successor shall be elected to a term of three years. At the turnover meeting, upon agreement by vote of the owners, the Board of Directors may be elected by a single ballot with each owner entitled to vote for three nominees. In that event, the nominee receiving the highest number of votes shall be the three year director, the nominee receiving the second highest number of votes shall be the two year director and the nominee receiving the fewest number of votes shall be the one year director. The Association may increase or decrease the number of directors and term of office for which each is elected upon amendment of this section. The directors shall hold office until their successors have been appointed and hold their first meeting.

Section IV. 4. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a director by a vote of the Association shall be filled for the balance of the term of each directorship by a vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected upon expiration of the term for which the replaced director was elected. Any vacancy in the interim board shall be filled by the Declarant.

Section IV. 5. Removal of Directors. At any legal annual or special meeting, other than a meeting by ballot, any one or more of the directors may be removed, with or without cause, by a majority vote and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting. Any director who fails to attend three consecutive meetings of the Board of Directors which have been properly called, or who has failed to attend more than one-third of the Board of Directors meetings during a 12-month period which have been properly called, may be removed by a majority of the remaining directors.

Section IV. 6. Organizational Meeting. The first meeting of a newly appointed Board of Directors shall be held within ten (10) days of the appointment at such place as shall be fixed by the directors at the meeting at which such directors were appointed, and no notice shall be necessary to the newly appointed directors in order to legally hold such meeting, providing a majority of the newly appointed directors are present.

Section IV. 7. Open Meetings.

[a] Open Meetings. All meetings of the Board of Directors shall be open to unit owners except that, in the discretion of the Board, the following matters may be considered in executive session pursuant to ORS 100.420: (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 an emergency, the Board of Directors shall vote in an open meeting whether to meet in executive session. If the Board of Directors votes to meet in executive session, the presiding officer of the Board of Directors 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 the unit owners. The chairperson shall have the authority to exclude any unit owner not a director who disrupts the proceedings at a meeting of the Board of Directors. For other than emergency meetings, notice of the time and place of directors' meetings shall be posted at a place or places on the condominium at least three (3) days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform unit owners of such meetings.

[b] Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors.

[c] Special Meetings. Special meetings of the Board of Directors may be called by the Chairperson of the Board of Directors or the Secretary or on the written request of at least two (2) directors. Special meetings of the Board of Directors may be called upon three (3) days notice to each director, given personally or by mail, electronic mail, telephone or telegraph, which notice

shall state the time, place, and purpose of the meeting.

[d] Rules of Order. Unless other rules of order are adopted by resolution of the Association or the Board of Directors, all meetings of the Board of Directors shall be conducted according to the latest edition of Robert's Rules of Order published by Robert's Rules Association.

[e] Requirement for Formal Meetings. The meeting and notice requirements of this section may not be circumvented by chance or social meetings or by any other means.

Section IV. 8. "Conference Call" Meetings. In emergency situations, meetings of the Board of Directors may be conducted by any type of telephonic or computer network communications in which each director may speak with any of the other directors.

Section IV. 9. Waiver of Notice. Before, at, or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the receipt of proper notice. Attendance by a director at any meeting of the Board shall be a waiver of any defects in notice to him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such a meeting.

Section IV. 10. Board of Directors- Quorum. At all meetings of the Board of Directors, a majority of the existing directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section IV. 11. Compensation of Directors. No director shall be compensated in any manner, except for out-of-pocket expenses not exceeding \$100 in any three (3) month period, unless such compensation is approved by binding vote of the unit owners.

ARTICLE V ASSOCIATION RESPONSIBILITIES; BOARD OF DIRECTORS - POWERS AND DUTIES

Section V. 1. Association Responsibilities. The Association shall have the responsibility of administering the condominium, approving the annual budget and establishing and collecting assessments as necessary, arranging for the operation, management, and maintenance of the condominium, including negotiating and contracting with and supervising any person, persons, or business entity with respect to such matters, instituting, defending or intervening in litigation or proceedings in its own name or on behalf of two or more unit owners with respect to any cause of action relating to the condominium or more than one unit, and taking such other actions and exercising such other powers as are authorized by the provisions of the Act as the same may be amended from time to time.

Section V. 2. Board's Powers and Duties. The Board of Directors shall have all powers and duties necessary to carry out the responsibilities of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the unit owners; specifically and without limitation, the Board of Directors shall have the authority to carry out and be responsible for the following matters:

[a] Operation, care, maintenance, repair and replacement and supervision of the general common elements and the limited common elements and Association property, except to the extent this obligation is imposed on the unit owner in these Bylaws.

[b] Determination of the amounts required for operation, maintenance and other affairs of the Association; preparation and adoption of operating budgets; and setting assessments therefore.

[c] Collection of assessments from the unit owners, both pro rata assessments and individual assessments. Said assessments may be collected at the option of the Association as needed, rather than as a monthly assessment.

[d] Payment of all common expenses of the Association and institution and maintenance of a voucher system for such payment, which shall require a sufficient number of signatories on checks and vouchers thereon as shall be reasonably necessary to prevent any misuse of Association funds.

[e] Employment and dismissal of such personnel as is necessary for the maintenance, upkeep and repair of the common elements.

[f] Preparing and filing the necessary income tax returns for the Association, including employment of legal, accounting or other personnel for reasonable compensation to perform such services as may be required for such filing or the proper administration of the Association all in accordance with ORS 100.417(4).

[g] Opening of bank accounts in the name of the Association, from which all expenses of the Association shall be paid, all in compliance with ORS 100.480(2), and designating the signatories required therefore.

[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. In any foreclosure action instituted by the Board of Directors, the Board shall enter a bid at the sale for the amount of the unpaid lien and costs and expenses incurred in such action. No other purchase of a unit can be undertaken unless the unit owners have authorized the purchase by majority vote.

[i] Selling, leasing, mortgaging, voting the votes appurtenant to, or otherwise dealing with units of the condominium 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 and ORS 100.415(12).

[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 \$2,500 unless the project has been approved by majority vote of the unit owners. This limitation shall not be applicable to repairs or maintenance undertaken pursuant to subparagraph [a] above.

[l] Granting, executing, acknowledging, delivering and recording on behalf of the unit owners leases, easements, rights of ways, licenses and other similar interests affecting the general and limited common elements or consenting to vacations of roads after the granting of such interests or consents has been approved by the unit owners as provided in the Declaration.

[m] Promulgation of rules and regulations governing the condominium and use thereof which shall be consistent with the restrictions set out in Article IX of these Bylaws.

[n] Enforcement by legal means or otherwise of the provisions of the Act, the Declaration, these Bylaws and any rules and regulations adopted hereunder.

[o] Modifying, closing, removing, eliminating or discontinuing the use of a general common element improvement or portion of the common element landscaping, in accordance with ORS 100.405(9).

Section V. 3. Reports and Audits; Record Keeping.

[a] The Board of Directors and the managing agent or manager, if any, shall on behalf of the Association retain within the State of Oregon the documents, information and records delivered to the Association by the Declarant pursuant to ORS 100.210. The Board of Directors shall further keep detailed records of the actions of the Board of Directors and the managing agent or manager, minutes of the meetings of the Board of Directors and minutes of the meetings of the Association.

[b] The Board of Directors, or its designee, shall keep detailed, accurate financial records, in chronological order, of the receipts and expenditures affecting the common elements, itemizing the maintenance and repair expenses of the common elements and any other expenses incurred, and shall keep any other financial records sufficient for proper accounting purposes. The Board of Directors shall further maintain an account for each unit designating the name and address of the owner or owners, the amount of each assessment against the owner(s), the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments. All assessments shall be deposited in a separate bank account, located within this state, in the name of the association. All expenses of the association shall be paid from the association bank account pursuant to ORS 100.480(2).

[c] An annual report and financial statement consisting of a balance sheet and income and expense statement for the preceding year shall be distributed by the Board of Directors 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. From time to time the Board of Directors, at the expense of the Association, may obtain an audit of the books and records pertaining to the Association. At any time any unit owner or mortgagee may, at his own expense, cause an audit or inspection to be made of the books and records of the Association.

[d] Such records and documents shall be reasonably available for examination by a unit owner or a mortgagee; upon written request from the unit owner or mortgagee such records and documents shall be made available for duplication. The Board shall maintain copies, suitable for duplication, of the Declaration, Bylaws, rules and regulations (and amendments thereto), current operating budget, and the most recent annual report. Upon written request of a prospective purchaser, such copies and documents

shall be made available for duplication during reasonable hours. The Board may charge a reasonable fee for furnishing copies to a unit owner, mortgagee or prospective purchaser.

[f] The Board of Directors on behalf of the Association shall provide, within ten (10) business days of receipt of a written request from an owner, a written statement that provides: (i) the amount of assessments due from the owner and unpaid at the time the request was received, including regular and special assessments, fines and other charges, accrued interest, and late payment charges; (ii) the percentage rate at which interest accrues on assessments that are not paid when due; and (iii) the percentage rate used to calculate the charges for late payment or the amount of a fixed rate charge for late payment. The Association is not required to comply with this section 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.

Section V. 4. Managing Agent. The Board of Directors may employ a managing agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties otherwise delegated to the Secretary or Treasurer in Article VI of these Bylaws. If the managing agent is a professional property manager, the managing agent shall have the right to contract with any unit owner, individually or collectively with other unit owners, for the management or lease of a particular unit or units.

Section V. 5. Annual Report. After the turnover meeting described in Article III, Section 3, has been held, the Board or its designee shall annually prepare and deliver to the office of the Oregon Real Estate Agency, not later than the "report date," an annual report as provided in the Act. The "report date" shall be the anniversary date on which the Condominium Information Report was filed in the office of the Oregon Real Estate Agency. The annual report shall set forth:

[a] The name of the Association;

[b] The name of the condominium and the county in which the condominium is located;

[c] The mailing address, including street and number, if any, and county of the Association;

[d] The name and residence or business address, including the street and number, of the person designated as agent to receive service of process in cases provided in ORS 100.550(l) and any other legal proceeding relating to the condominium or Association; if the designated agent has been changed since the last annual report was filed. The report shall contain a statement that the new agent has consented to the appointment; and

[e] The names and addresses of the Chairperson and Secretary of the Association.

Within thirty (30) days after there is a change in the information contained in a report, the Board or its designee shall prepare and deliver to the Oregon Real Estate Agency an amendment in accordance with the Act, which amendment shall set forth:

[a] The name of the Association as shown on the current records of the Oregon Real Estate Agency;

[b] The name of the condominium and county in which the condominium is located;

[c] A statement of the information as changed; and

[d] If the current designated agent is to be changed, the name of the new designated agent and residence or business address, including the street and number, and a statement that the new agent has consented to the appointment.

The reports and amendments shall be made on forms prescribed and furnished by the Oregon Real Estate Agency, shall be accompanied by one exact or conformed copy and the correct filing fee, shall contain information current as of thirty (30) days before delivery for filing, shall be executed by the designated agent and the Chairperson or Secretary of the Association and shall state beneath or opposite the signature the name of the person and the capacity in which the person signs; and shall contain any additional identifying information that the Oregon Real Estate Agency may require by rule.

ARTICLE VI OFFICERS

Section VI. 1. Designation. The principal officers of the Association shall be a Chairperson, who shall be a member of the Board of Directors, and a Secretary/Treasurer, each of whom shall be elected by the Board of Directors. Each officer shall be a unit owner and shall occupy the unit as his principal residence. The foregoing qualifications do not apply to officers elected by the interim Board of Directors.

Section VI. 2. Election of Officers. The officers of the Association shall be elected by the Board of Directors at the organizational meeting of each new Board or any Board meeting thereafter, and shall hold office at the pleasure of the Board. If any office shall become vacant, the Board of Directors shall elect a successor to fill the unexpired term at any regular meeting of the Board of Directors, or at any special meeting of the Board called for that purpose.

Section VI. 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section VI. 4. Chairperson. The Chairperson shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which 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 from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section VI. 5. Secretary/Treasurer. The Secretary/Treasurer shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. He shall attend to the giving and serving of all notices to the unit owners and directors. He shall have charge of such records of the Association as the Board may direct. The Secretary/Treasurer shall also have responsibility for Association funds and securities not otherwise held by the managing agent, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the preparation of all required financial statements. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. He or she shall perform all other duties incident to the office of Secretary/Treasurer and as may be required by the directors.

Section VI. 6. Directors as Officers. Any director may be an officer of the Association.

Section VI. 7. Compensation of Officers. No officer shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by binding vote of the unit owners.

ARTICLE VII EXPENSES AND ASSESSMENTS

Section VII. 1. Assessments. All unit owners are obligated to pay assessments, which may either be monthly or as needed, imposed by the Board of Directors to meet all the common expenses and for such other reasons and purposes as provided in the Bylaws. The term "assessment" as used in the Declaration or Bylaws, means any charge imposed or levied by the Association on or against a unit owner or unit pursuant to the Declaration, the Bylaws, or the Act. Assessments may not be waived due to limited or nonuse of common elements or abandonment of a unit.

Section VII. 2. Declarant's Responsibility for Assessments.

[a] Subject to paragraph [e] of this section, the Declarant shall pay assessments due for operating expenses on all unsold units from the date of conveyance of the first unit in the condominium.

[b] From the date of conveyance of the first unit in the condominium, the Declarant shall pay assessments due for reserves on all unsold units. The Declarant may defer payment of accrued assessments for reserves required under ORS 100.175 for a unit until the date the unit is conveyed. However, the Declarant may not defer payment of accrued assessments for reserves beyond the date of the turnover meeting or if a turnover meeting is not held, the date upon which the unit owners assume administrative control of the Association.

[c] Failure of the Declarant to deposit the balance due within thirty (30) days after the due date constitutes a violation under ORS 100.545.

[d] The books and records of the Association shall reflect the amount the Declarant owes for all reserve account assessments.

[e] The Association shall not assess units owned by the Declarant for additional capital improvements without the written consent of the Declarant as long as the Declarant owns two units or five percent (5%) of the units, whichever is the greater.

[f] Except with respect to assessments for reserves required by ORS 100.175, the Declarant may elect to defer commencement of all or part of common expense assessments as to all units. If the Declarant so elects to defer commencement of all

or part of common expense assessments, Declarant shall pay as they accrue and be responsible for all or part of the common expenses attributable to the condominium for which assessments have been deferred, until assessments commence for those expenses which have been so deferred. The Declarant shall give not less than 10 days written notice to all affected unit owners prior to commencement of common expense assessments if such a deferral occurs.

Section VII. 3. Determination of Common Expenses. Common expenses shall include:

[a] Expenses of administration.

[b] Expenses of maintenance, repair or replacement of common elements.

[c] Cost of insurance or bonds obtained in accordance with these Bylaws.

[d] Cost of funding reserves for replacement of those common elements all or part of which will normally require replacement in more than three and less than 30 years, but not including those items that could reasonably be funded from operating assessments.

[e] Any deficit in common expenses for any prior period.

[f] Any other items properly chargeable as an expense of the Association or properly assessed against a unit owner or owners as provided herein.

[g] Any other items agreed upon as common expenses by all unit owners.

Section VII. 4. Annual Budget. The initial budget and estimated assessment shall be determined by Declarant. The budget and assessment shall thereafter be subject to review by the Board of Directors. The Board shall from time to time, and at least annually, estimate the expenses to be incurred during the coming year or fiscal period, determine the annual assessment and any special assessments to be paid during such year or period, and notify the unit owners of the assessment; no additional billing is necessary. Account shall be taken of any expected income and any surplus available from the prior year's operations. The budget may provide for reserves for working capital and unexpected contingencies. If any sums estimated and budgeted for any purpose prove inadequate for any reason (including a unit owner's failure to pay assessments for any reason), the Board may at any time levy a further assessment.

Section VII. 5. Reserve Accounts for Replacement of Common Elements.

[a] The Declarant has conducted a reserve study described in paragraph (c) of this section; and determined that there are no common elements all or part of which will normally require replacement in more than three and less than 30 years. The entire building structure, exclusive of the foundation is the sole responsibility of the individual unit owners. The unit owner's responsibility includes, but is not limited to, maintenance and replacement of the roof and all exterior painting.

[b] The Board of Directors shall conduct a reserve study annually; or review and update an existing study; to determine the reserve account requirements for items described in paragraph [a] of this section and may adjust the amount of payments in accordance with the study or review and may provide for other reserve items that the Board of Directors, in its discretion, may deem appropriate. The reserve account need not include 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 Bylaws. The reserve study shall include:

(i) Identification of all items for which reserves are to be established;

(ii) The estimated remaining useful life of each item as of the date of the reserve study;

(iii) An estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and

(iv) A 30-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule.

[c] The reserve account, should any be deemed necessary by the Board of Directors in the future, shall be funded by assessments against the individual units assessed for the purposes for which the reserve account is established, which sums shall be included in the regular monthly assessment for the unit. The reserve account shall be established in the name of the Association pursuant to ORS 100.175(3).

[d] The assessment for the reserve account will accrue from the time of the conveyance of the first individual unit assessed. Declarant may elect to defer payment of the accrued assessment for any unsold unit until the time of conveyance of that unit; however, election by Declarant to defer payment of the accrued assessment shall be limited to a period of three years from the date the Declaration is recorded. The books and records of the Association shall reflect the amount owing from the Declarant for all reserve assessments.

[e] The reserve account is to be used only for the purposes for which the reserves have been established and shall be kept separate from other funds. However, after the turnover meeting the Board of Directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet unexpected increases in expenses which will later be paid from assessments, if the Board of Directors has adopted a resolution which may be an annual continuing resolution, authorizing the borrowing of funds. Within 90 days after borrowing funds from the reserve account, the Board of Directors shall adopt by resolution a written payment plan providing for repayment of the borrowed funds within a reasonable period.

[f] In addition to the authority of the Board of Directors under paragraph [c] of this section, after the turnover meeting, the Association may, on an annual basis, elect not to fund the reserve account described in paragraph [a] of this section by unanimous vote of the unit owners or elect to reduce or increase future assessments for the reserve account by an affirmative vote of at least seventy-five percent (75%) of the unit owners.

Section VII. 6. Special Assessments for Capital Improvements. In the case of any duly authorized capital improvements to the common elements, the Board of Directors may establish separate assessments for the same and maintain the proceeds from such assessments in separate accounts.

Section VII. 7. Assessments Allocated to Each unit; Individual Assessments. Unit owners may be assessed additional amounts individually for common expenses incurred through such unit owner's fault or direction. Further, unit owners may be assessed additional amounts individually for fines, charges and expenses in the process of collection of assessments and enforcement of the Declaration, Bylaws, and rules and regulations pursuant to Article VIII, and as otherwise provided in these Bylaws.

Section VII. 8. Omission of Budget and Assessments. The omission by the Board before the expiration of any fiscal year to fix the budget, estimate the expenses, and/or determine the assessment for the forthcoming year shall not be deemed a waiver or modification in any respect of the provisions of these Bylaws, or a release of the unit owner from the obligation to pay the assessment or any installment thereof; the assessments fixed for the preceding year and any unpaid portions of prior special assessments shall continue until new assessments are fixed.

Section VII. 9. Debt Obligation; Installment Interest. Each assessment shall be the joint and several personal obligation of the owner or owners of the unit as of the time it is assessed. Assessments shall be paid in full within thirty days of said assessment unless the Association adopts a monthly payment plan for any specific assessment. Any assessment or installment thereof unpaid when due shall be delinquent and shall bear interest at twelve percent (12 %) per annum from its due date until paid.

Section VII. 10. Association's Lien Against Unit. The Association, upon complying with ORS 100.450 or as the same may be amended, shall have a lien upon the individual unit and undivided interest in the common elements appertaining to such unit for any unpaid assessments and interest. The lien shall be prior to a homestead exemption and all other liens or encumbrances upon the unit except:

[a] Tax and assessment liens, and

[b] A prior mortgage or trust deed of record.

[c] Notwithstanding subparagraph [b] above, the Association's lien shall also be prior to the lien of any prior mortgage or trust deed of record for the unit and the undivided interest in the common elements if:

(1) The Association has given the lender under the mortgage or trust deed ninety (90) days prior written notice that the owner of the unit is in default in payment of an assessment. The notice shall contain: (i) the name of the borrower; (ii) the recording date and recording information of the trust deed or mortgage; (iii) the name of condominium, unit owner and unit identification; and (iv) the amount of unpaid assessment; the notice must also set forth the following in 10-point type: "NOTICE: The lien of the Association may become prior to that of the lender pursuant to ORS 100.450;" and

(2) The lender has not initiated judicial action to foreclose the mortgage or requested an issuance of a trustee's notice of sale under the trust deed or accepted a deed in lieu of foreclosure in the circumstances described in Section 11 of this Article prior to the expiration of ninety (90) days following the notice by the Association; and

(3) The Association has provided the lender, upon request, with copies of any liens filed on the unit, a statement of the assessments and interest remaining unpaid on the unit and other documents which the lender may reasonably request; and

(4) The borrower is in default under the terms of the mortgage or trust deed as to principal and interest; and

(5) A copy of the notice has been verified, filed and recorded in the manner prescribed in ORS 100.450(3).

Section VII. 11. Deed in Lieu of Foreclosure. A deed in lieu of foreclosure accepted by the holder of a first mortgagee or the beneficiary of a first deed of trust in respect to a unit shall have the effect of extinguishing a lien of the Association filed to secure unpaid assessments in the following circumstances:

[a] Written notice has been given to the Association addressed to the individual authorized to accept service of process, sent by first class mail, return receipt requested, notifying the Association of the mortgagee or beneficiary's intent to accept a deed in lieu of foreclosure and stating that the lien of the Association may be extinguished in the circumstances specified in this section; and

[b] The deed in lieu of foreclosure is recorded not later than thirty (30) days after the date the notice is mailed to the Association.

Any assessment lien filed by the Association after receipt of the notice described above and less than thirty (30) days before the deed in lieu of foreclosure is recorded, shall also be extinguished without further notice or action.

Section VII. 12. Transferee's Liability for Unpaid Share of Common Expenses.

[a] Where the purchaser of a unit obtains title to the unit as a result of foreclosure of the first mortgage or trust deed, such purchaser, his successors and assigns, shall not be liable for any unpaid assessments against such unit or its owner which became due prior to the acquisition of title to such unit by such purchaser. Such unpaid assessments shall be a common expense of all the unit owners including such purchaser, his successors and assigns.

[b] 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 the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. However, upon request of a prospective purchaser the Board of Directors shall make and deliver a statement of the unpaid assessments against the prospective grantor or the unit, and the grantee in that 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 amount set forth in the statement provided.

Section VII. 13. Statement of Common Expenses and Assessments. The Board of Directors shall promptly provide any unit owner who makes a request in writing with a written statement of his or her unpaid assessments.

ARTICLE VIII

COLLECTION OF ASSESSMENTS; ENFORCEMENT

Section VIII. 1. Compliance with Declaration, Bylaws, Rules and Regulations. Each unit owner shall comply with the Declaration, Bylaws, and rules and regulations adopted pursuant thereto, as well as with such other covenants, conditions and restrictions contained in the deed to the unit. Failure to comply therewith shall be grounds for an action maintainable by the Association or by an aggrieved unit owner.

Section VIII. 2. Authority to Enforce and Collect. The Board of Directors, on behalf of the Association, shall take prompt action against any violator to enforce the provisions of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto, including prompt action to collect any unpaid assessment. In doing so, the Board may exercise one or more of the remedies, separately or concurrently, specified in this Article, as well as any other remedies which may be available at law or in equity.

Section VIII. 3. Abatement and Enjoining of Violations. In the event of the violation of the Declaration, Bylaws, or any rules or regulations adopted pursuant thereto, the Board of Directors shall have the right to:

[a] Enter the unit or limited common element 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 therein contrary to the intent and meaning of the provisions of said documents (except that judicial proceedings must be instituted before items of construction can be altered or demolished), and the Board and its agents shall not thereby be deemed guilty of any manner of trespass, and/or

[b] Enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

Section VIII. 4. Late Charges; Fines. The Board may, if it deems appropriate, impose charges for late payments of assessments, attorney fees for collection of assessments, and, after giving notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws and rules and regulations adopted pursuant thereto.

Section VIII. 5. Acceleration of Assessment. In the event that a unit owner fails to pay an assessment or installment of an assessment when it is due, the Board may, after ten (10) days written notice, declare the defaulting unit owner's entire annual or special assessment due immediately and interest thereafter shall accrue on the entire assessment at twelve percent (12%) per annum until paid.

Section VIII. 6. Foreclosure of Lien Against Unit, Appointment of Receiver; Power to Bid at Foreclosure Sale. The Board of Directors, on behalf of the Association, may bring suit to foreclose the lien against the unit pursuant to ORS 100.450. In any such foreclosure suit, the unit owner shall be required to pay reasonable rental for the unit. The plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect the rent. The Board of Directors, acting on behalf of the unit owners, shall have the power to bid for the unit at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same, subject to the restrictions in Article V, Section 2(h).

Section VIII. 7. Action to Obtain and Recover a Money Judgment. The Board of Directors, on behalf of the Association, may bring an action to obtain a money judgment against a unit owner for damages and/or for unpaid assessments. An action to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien securing the same referred to in Article VII, Section 10 of these Bylaws.

Section VIII. 8. Attorney's Fees. In addition to any other provision in the Bylaws with respect to attorney fees, in any suit or action brought by the Association to foreclose its lien, collect delinquent assessments, or to enforce compliance with the terms and provisions of the Act, the Declaration or Bylaws, all amendments or supplements thereto, or any rules or regulations adopted thereunder, the prevailing party shall be entitled to recover reasonable attorney fees therein and in any appeal therefrom

ARTICLE IX MAINTENANCE AND USE OF CONDOMINIUM PROPERTY

Section IX. 1. Maintenance and Repair.

[a] Each unit owner must perform promptly all cleaning, maintenance and repair work both interior and exterior of his own unit, which if omitted would affect the common elements of the condominium or the values of the units of the other unit owners, and shall be responsible for the damages and liabilities that his or her failure to do so may cause.

[b] Each unit owner shall be responsible for the repair, maintenance, or replacement of all limited common elements appurtenant to the unit, including not only the patios, decks, porches and trellises, windows, doors, and roof, but also any plumbing, heating or air conditioning fixtures, telephones, water heaters, fans, lighting fixtures and lamps, refrigerators, dishwashers, ranges, ovens, or other appliances and accessories that may be in or connected with his unit.

[c] Each unit owner shall keep the porch and trellis, steps, patio, and deck that is included as a limited common element appurtenant to his unit in a neat, clean and sanitary condition.

[d] A unit owner shall promptly reimburse the Association for any expenditures incurred in repairing or replacing any common element damaged through his fault or at his direction, as provided in Article X, Section 7, of the Bylaws.

[e] All other maintenance, repair and replacement to the general common elements shall be made by the Association as a common expense.

Section IX. 2. Use of Units; Internal Changes; Alterations.

[a] All units shall be used for single family residential purposes only, and all common elements shall be used in a manner conducive to such purposes. A unit owner shall be permitted to lease or rent his unit to a third party; provided, however, that any lease or rental agreement shall provide that the terms of said agreement shall be subject in all respects to the provisions of the Declaration, Bylaws, and rules and regulations adopted by the Board of Directors and that any failure by the tenant to comply with the terms of such documents shall be a default under said agreement; and provided further, that such unit owner shall have the rented unit managed by a professional property manager during the rental period unless the Board consents otherwise in writing. A unit owner

may be assessed individually for common expenses incurred through such tenant's fault or direction and for fines, charges and expenses incurred in enforcing the Declaration, Bylaws, and rules and regulations, with respect to such tenant. All such agreements that provide for a tenancy shall be in writing, and copies shall be given to the Board of Directors.

[b] A unit owner shall make no repair or alteration or perform any other work on his or her unit which would jeopardize the soundness or safety of the condominium, reduce the value thereof, 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. Subject to this limitation, however, a unit owner may make any improvements or alterations to his or her unit that do not impair the structural integrity or mechanical systems of the condominium or lessen the support of any portion of the condominium.

Section IX. 3. Limitation on Changes to the Exterior Appearance of a Unit, Use of Common Elements. A unit owner may not change the appearance of the exterior appearance of a unit without permission of the Board of Directors. Subject to limitations contained in these Bylaws, a unit owner may use the common elements in accordance with the purposes for which they are intended; but a unit owner may not hinder or encroach upon the lawful rights of the other unit owners.

Section IX. 4. Rules of Conduct. The following rules of conduct apply to all unit owners and all other persons using the condominium in any manner.

[a] Without prior written approval of the Board of Directors, no advertisements, posters, or signs of any kind shall be displayed to public view on or from any unit or the common elements except signs used to advertise units for sale or lease.

[b] All persons shall exercise extreme care about creating disturbances, making noises, or using musical instruments, radios, televisions, and amplifiers that may disturb other residents. Unit owners are responsible for the conduct of their guests.

[c] Pet owners shall at all times strictly comply with the provisions of this Section, any additional rules and regulations adopted by the Board of Directors, and all municipal or other laws and regulations relating to pets, including but not limited to leash and licensing laws. No pet owner shall permit his or her pet to bark or otherwise annoy in any manner other unit owners. Each unit owner shall promptly pick up and properly dispose of any feces left by his or her pet on common elements of the condominium or the limited common areas of other units. The Board of Directors shall have the right to require removal of a pet from the condominium after sending two (2) notices in writing to the unit owner of violations of any provision of this Section or such other rules and regulations governing pets as may be adopted by the Board of Directors.

[d] No garments, linen, bedding, rugs, and similar items shall be hung from the windows or from any of the facades, balconies, decks, porches, or stairways of the condominium. Unit owners may install and use clothes lines within the fenced yards of their units.

[e] Each unit owner shall maintain and use garbage, trash or other waste containers designated for such items, and these containers shall be stored out of sight except on collection days.

[g] In order to preserve the attractive appearance of the condominium, the Board of Directors may regulate the nature of items which may be placed in or on windows, decks, patios, balconies, porches and the outside walls so as to be visible from other units, the common elements or outside the condominium. All such items shall be maintained in a neat, clean and sanitary manner by the unit owner.

[h] No commercial activities of any kind shall be carried on in any unit or in any other portion of the condominium without the consent of the Board of Directors, except activities relating to the rental or sale of units. This provision, however, shall not be construed so as to prevent or prohibit a unit owner from maintaining a home office, telecommuting, keeping his or her professional personal library, keeping his or her personal business or professional records or accounts, handling his or her personal business or professional telephone calls, or occasionally conferring with business or professional associates, clients or customers, in his or her unit.

[i] Nothing shall be done or kept in any unit or in the common elements which will increase the cost of insurance on the common elements. No unit owner shall permit anything to be done or kept in his or her unit or in the common elements which will result in cancellation of insurance on any unit or any part of the common elements.

[j] No person shall carry on any criminal activities in the condominium.

Section IX. 5. Additional Rules Adopted by the Board of Directors. In addition, the Board of Directors from time to time may adopt, modify, or revoke such other 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 in order to assure the peaceful and orderly use and enjoyment of

the condominium. Such rules and regulations may be modified or repealed by binding vote of the unit owners. A copy of the rules and regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the Secretary promptly to each unit owner and shall be binding upon all unit owners and occupants of all units from the date of delivery.

ARTICLE X INSURANCE AND BONDS

Section X.1. For the benefit of the Association and the unit owners, the Board of Directors shall secure and maintain the following insurance coverage and shall pay for the same out of the common expense funds.

[a] Fire and Extended Coverage. A policy or policies of property insurance equal to full replacement value, (i.e., one hundred percent (100%) of current "replacement" cost) exclusive of land, foundation, excavation, and other items normally excluded from coverage of a condominium project, but including all buildings, units, service equipment and the like and any fixture or equipment within an individual unit which is financed under a mortgage, with an Agreed Amount and Inflation Guard Endorsement or its equivalent, if available. Such policy or policies shall name the Declarant, the Association, and the unit owners as insureds and shall provide for a separate loss payable in favor of all mortgagees, their successors and assigns. Such policy or policies shall provide protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and by vandalism and malicious mischief. Such policy or policies may provide protection against loss or damage from windstorm, water damage, and such other risks as are customarily covered in similar condominium projects. Such policy or policies shall be with an insurer with a policy holder's rating of at least a B and a financial rating of not less than III (or as an alternative an A general) under Best's Insurance Reports. In no event shall such policy or policies have a deductible clause in excess of One Thousand Dollars (\$1,000) per unit.

[b] Liability Coverage. A comprehensive policy or policies insuring the Association, the unit owners individually, the Board of Directors, Officers and the manager, if any, against liability to the public, the unit owners, and their invitees or tenants, incident to the ownership, supervision, control or use of the condominium. There may be excluded from the policy required under this paragraph, coverage of a unit owner, other than coverage as a member of the Association or Board of Directors, for liability arising out of acts or omissions of that unit owner and liability incident to the ownership or use of the part of the condominium as to which that unit owner has the exclusive use or occupancy. Liability insurance required under this paragraph shall be issued on a comprehensive liability basis and shall provide a cross liability endorsement providing that the rights of a named insured under the policy shall not prejudice any action against another named insured. Limits of liability under such insurance policy shall not be less than One Million Dollars (\$1,000,000) on a combined single limit basis.

[c] Workers' Compensation. Workers' compensation insurance to the extent necessary to comply with any applicable laws.

Section X.2. Policy Provisions. The Board of Directors shall make every effort to secure insurance policies that will provide for the following:

[a] A waiver of subrogation by the insurer as to any claims against the Board of Directors, the manager, the unit owners and their respective servants, agents and guests.

[b] A provision that the policies cannot be canceled or substantially modified without at least ten (10) days prior written notice to the Association and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the policy.

[c] A provision that the master policy is primary in the event a unit owner has other insurance covering the same loss.

Section X.3. Fidelity Coverage. The Board of Directors shall secure and maintain in the name of the Association as obligee, fidelity insurance to protect the Association against dishonest acts by its officers, directors, trustees and employees, and all others who shall be responsible for handling the funds of the Association; the cost of said fidelity coverage shall be a common expense.

Section X.4. Directors and Officers Liability. The Board may choose to secure and maintain directors and officers liability insurance for the directors and officers of the Association; if obtained, the cost of said liability coverage shall be a common expense.

Section X.5. Settlement of Loss. All losses under policies above described shall be settled exclusively with the Board of Directors or its authorized representative. Proceeds of the policies shall be paid to the Association as trustee for the unit owners, or, upon demand of any mortgagee, to an insurance trustee acceptable to the Association and mortgagees of units.

Section X.6. Unit Owner's Obligations. Each unit owner shall be responsible for obtaining, at his or her own expense, insurance covering his or her property not insured under Section 1 (a) and against his or her liability not covered under Section 1 (b); provided, however, that no unit owner shall be entitled to exercise his or her right to maintain insurance coverage in such a way so as to decrease the amount which the Board of Directors, on behalf of the Association and all unit owners, may realize under any insurance policy which the Board of Directors may have in force at any particular time. Additionally, each unit owner must inform the Board of Directors of all improvements made by such owner to his unit which have a value in excess of Five Hundred Dollars (\$500), so that the Board of Directors may make any desired adjustments in insurance coverage.

Section X.7. Unit Owner's Reimbursement. A unit owner shall promptly reimburse the Association for any expenditures incurred in repairing or replacing any portions of the common elements or units that are damaged or lost through his or her fault or at his or her direction where such damage or loss is not covered by insurance policies carried by the Association for the owner's and the Association's benefit; if such damage or loss is covered by said policies, the unit owner will promptly pay all amounts that would otherwise be paid by the Association pursuant to the deductible clause of said policies. All such amounts to be reimbursed or paid by a unit owner shall be deemed an individual assessment imposed on that unit owner.

Section X.8. Review of Insurance Policies; Additional Insurance. At least annually, the Board of Directors shall review all insurance carried by the Association, which review shall include an appraisal of all improvements made to the condominium by a representative of the insurance carrier writing the policy or policies specified in Section 1. The Board may obtain such additional insurance coverage as it deems necessary or appropriate, from time to time, for the benefit of the Association, the unit owners, and mortgagees.

ARTICLE XI DAMAGE AND DESTRUCTION

Section XI.1. Insurance Proceeds Sufficient to Cover Loss. In case of fire, casualty, or any other damage and destruction, the insurance proceeds of the master policy, if sufficient to reconstruct the property damaged or destroyed, shall be applied to such reconstruction. Reconstruction of the damaged or destroyed property, as used in this paragraph, means restoring the property to substantially the same condition in which it existed prior to the fire, casualty, or disaster, with each unit and the common elements having the same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished under the direction of the Board of Directors or its designee.

Section XI.2. Insurance Proceeds Insufficient to Cover Loss. If the insurance proceeds are insufficient to reconstruct the damaged or destroyed property, the damage to, or destruction of such property shall be promptly repaired and restored by the manager or the Board of Directors, using the proceeds of insurance, if any, on such property for that purpose, and all the unit owners shall be liable for assessment for any deficiency for such reconstruction, such deficiency to take into consideration as the unit owner's contribution any individual policy insurance proceeds provided by such unit owner. Provided, however, if seventy-five percent (75%) or more in value of all the property is destroyed or substantially damaged and if the unit owners, by sixty percent (60%) or more of all votes agree that the property shall not be repaired, reconstructed or rebuilt, then the property shall be considered removed from the provisions of the Oregon Condominium Act, and:

[a] The property shall be deemed to be owned in common by all the unit owners,

[b] The respective interest of a unit owner shall be the total of the fair market value of his or her unit and common element interest appertaining to such unit immediately before termination of the condominium. The proportion of any unit owner's interest to that of all unit owners shall be determined by dividing the fair market value of that unit owner's unit and common element interest by the total fair market values of all units and common element interests. The fair market value of each unit and common element interest appertaining to such unit shall be determined by:

(i) Agreement of all unit owners; or

(ii) An independent appraiser selected by the Board of Directors. The decision of the appraiser shall be distributed to the unit owners and shall become final unless within fifteen (15) days after the distribution, the Board of Directors receives written objection from unit owners holding at least twenty-five percent (25%) of all the votes. In such event, a new appraiser shall be selected by the presiding judge of the Multnomah County Circuit Court. Such appraiser's decision shall be final.

[c] All costs and expenses incurred under this Section shall be common expenses.

[d] In the event any part of the property has been damaged or destroyed, the appraiser may use any available data and information pertaining to the condominium including, but not limited to, building plans, prior appraisals and information on file with

governmental authorities.

[c] Liens affecting any unit shall be liens, in accordance with the then existing priorities, against the undivided interest of the unit owner in the property owned in common.

[f] Removal of the property, or any portion thereof, from the provisions of the Act shall comply with ORS 100.605 and other applicable statutes.

[g] The property shall be subject to an action for partition at the suit of any unit owner. If a decree of partition orders the sale of the property, the net proceeds of sale, together with the net proceeds of the policies of insurance on the property, if any, shall be considered as one fund and shall be divided among the unit owners (and their mortgagees as their interests may appear) in proportion to the unit owners' respective undivided interests as determined under ORS 100.600 and ORS 100.610 after first paying out of the respective shares of the unit owners, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each unit owner.

ARTICLE XII CONDEMNATION

The Board of Directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain and to sue or defend in any litigation involving such bodies or persons with respect to the common elements of the condominium and shall assist any unit owner whose unit or a part thereof is the subject of any condemnation or eminent domain proceeding. Prompt written notice of any such proceeding shall be given to the unit owners and their mortgagees. With respect to a taking of the common elements or any part thereof, the Board of Directors shall arrange for the repair or restoration of said common elements out of the proceeds of the award unless the unit owners, by sixty percent (60 %) or more of all votes, agree not to repair or restore said common elements. In that event, the Board of Directors shall disburse the net proceeds of such award to the unit owners (and their mortgagees as their interests may appear) according to the formula and procedure prescribed herein in Article XI, Section 2. Removal of the property or any portion thereof, from the provisions of the Act shall comply with ORS 100.605 and other applicable statutes.

ARTICLE XIII AMENDMENTS TO BYLAWS

The Bylaws may be amended by approval of a majority of the unit owners; provided, however:

(1) Any amendment which relates to age restrictions, pet restrictions, limitations on the number of people who may occupy units, and limitations on the rental or leasing of units must be approved by unit owners holding at least seventy-five percent (75%) of all the votes; and

(2) Declarant's written consent to any amendment shall be required until the earlier of the following dates:

(a) the date on which seventy-five percent (75%) of the total number of units which Declarant may submit to the condominium have been conveyed to persons other than Declarant, or

(b) the date which is the fifth anniversary of the recording of the Declaration, and prior to the recordation of such amendment, the Association will submit the proposed Amended Bylaws or Amendment to a Bylaw to the Oregon State Real Estate Commissioner for approval in accordance with the Act. The Commissioner's approval is not required for an amendment to the Bylaws adopted five (5) years after the Bylaws are initially recorded.

(3) If approved, said amendments shall be recorded in Multnomah County.

ARTICLE XIV INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

The Association shall indemnify any director, officer, employee, or agent who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by the Association), by reason of the fact that he or she is or was a director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney's fees), judgments, fines, and amounts paid in

settlement actually and reasonably incurred by said person in connection with such suit, action, proceeding, or appeal therefrom, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe his or her conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit, or proceeding as and when incurred, subject only to the right of the Association to seek reimbursement of any such payment, should it be proven at a later time that said person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a director, officer, employee, or agent shall have a right of contribution over and against all other directors, officers, employees, or agents and members of the Association who participated with or benefited from the acts which created said liability.

ARTICLE XV DISPUTE RESOLUTION

Section XV.1. Mediation.

[a] Except as otherwise provided in this section and pursuant to ORS 100.405(11), before initiating litigation or an administrative proceeding in which the Association and an owner have an adversarial relationship, the party that intends to initiate such action shall offer to use any dispute resolution program available within Multnomah County, Oregon, 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 both first class and certified mail, return receipt requested, to the address contained in the records of the Association for the other party.

[b] If the party receiving the offer does not accept the offer within ten (10) days after receipt of the offer as delivered in paragraph [a] of this section, the initiating party may commence the litigation or administrative proceeding. Acceptance of an offer to use a dispute resolution program shall be in writing delivered as provided for the offer as set forth in paragraph [a] of this section and shall contain the name, address and telephone number of the body administering the dispute resolution program.

[c] In the event a party commences litigation or an administrative proceeding without offering to use such dispute resolution program referred to in paragraph [a] of this section, the non-initiating party may request a stay for thirty (30) days during which time both parties shall participate in the dispute resolution process.

[d] Unless a stay has been granted pursuant to paragraph [c] of this section, the initiating party may proceed with litigation or an administrative proceeding thirty (30) days after receiving an acceptance of the offer whether or not the dispute resolution process is completed.

[e] A 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 was not made.

[f] The requirements of this section do not apply where irreparable harm to a party will occur due to delay or to proceedings initiated to collect assessments.

ARTICLE XVI MISCELLANEOUS

Section XVI. 1. Notices. All notices to the Association or to the Board of Directors shall be sent care of the managing agent, or if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. All notices to any unit owner shall be sent to such address as may have been designated by him or her from time to time, in writing, to the Board of Directors, or if no address has been designated, then to the owner=s unit.

Section XVI. 2. Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section XVI. 3. Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience or reference and shall in no way limit any of the provisions of these

Bylaws.

It is hereby certified that these Bylaws have been adopted by Celestial Bean, Inc., which is the Declarant of Condor Heights Condominiums, and will be recorded in the Deed Records of Multnomah County, Oregon, together with the Declaration for said condominium, after said Declaration is approved by the Real Estate Commissioner's Office and the Assessor of said County.

DATED this 4 day of Jan, 2008

Pac-West Investments, Inc.

By: 

David Kuretich, President

no mark

**RESERVE STUDY
CONDOR HEIGHTS CONDOMINIUMS
GENERAL COMMON ELEMENTS**

Conducted by Pac-West Investments, Inc.
October 2, 2005

<u>Improvements</u>	<u>Estimated Life Expectancy</u>	<u>Reserve Amount*</u>
Sidewalk	50 years	0
Water lines	40 years	0
Main sewer line	80 years	0
	Total	\$ 0

*The reserve is required only for those common elements for which the association is responsible which will normally require replacement in more than three and less than thirty years. It does not include those items that can reasonably be funded from operating expenses or those items which are the sole responsibility of the individual unit owner.

NOTE: The reserves have been set initially by the Declarant based upon its estimate for replacement of those common elements all or part of which will normally require replacement in more than three and less than 30 years, for exterior painting if the common elements include exterior painted surfaces, and for such other items as may be required by the declaration or bylaws. The reserve account does not include:

- (A) Items that could reasonably be funded from operating assessments; or
- (B) 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 bylaws.

Because all of the walls and roofs of the units belong to each unit owner individually and are not considered common elements, and because there are no common elements that require maintenance (outside of the landscaping) the reserves are set at a low rate and assessment.

(c) The board of directors of the association annually shall conduct a reserve study or review and update an existing study to determine the reserve account requirements and may:

- (A) Adjust the amount of payments in accordance with the study or review; and
- (B) Provide for other reserve items that the board of directors, in its discretion, may deem appropriate.

(d) The reserve study shall include:

- (A) Identification of all items for which reserves are to be established;
- (B) The estimated remaining useful life of each item as of the date of the reserve study;
- (C) An estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and
- (D) A 30-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule