

CORBANC CONDOMINIUM

REFERENCE DATA
SN 24334
SN 41842
SN 41843
SN 50153
SN 51102

TRUST DEED, BOOK 2220
PAGE 443, RECD 8-22-89
PLAT OF "PORTLAND HOMESTEAD",
PLAT BOOK 2, PAGE 22

LOCATED IN THE
SW1/4 OF SECTION 10, TOWNSHIP 1 SOUTH, RANGE 1 EAST, W.M.
AND IN LOT 4, AND PORTIONS OF LOTS 1, 2, & 3 OF BLOCK 2, "PORTLAND HOMESTEAD",
CITY OF PORTLAND, MULTNOMAH CO, OREGON

PREPARED BY: ROBERT E MEYER CONSULTANTS, INC.
4915 S.W. GREFFITH DRIVE #200
BEAVERTON, OREGON 97005 (503) 643-7531
PROJECT No. 1708-00

DATE OF MONUMENTATION DEC. 12, 1984

NARRATIVE
ROBERT TAYLOR, A REGISTERED PROFESSIONAL LAND SURVEYOR, HEREBY CERTIFIES THAT HE HAS PERSONALLY CONDUCTED A SURVEY MADE BY ME OR UNDER MY DIRECTION AT THE REQUEST OF BALS...
PURPOSE OF THIS SURVEY WAS TO ESTABLISH THE BOUNDARY HEREIN SHOWN FOR THE PLATTING OF "CORBANC CONDOMINIUM"... AS A BASIS OF BEARING I HELD "NORTH" (OR NORTH 00° 00' 00" EAST) AS CALLED FOR IN SURVEY NO 50153 OF THE MULTNOMAH COUNTY RECORDS, SAID BEARING WAS HELD BETWEEN TWO FOUND BRASS SCREWS ON A 4.00 FOOT REFERENCE LINE...
THE BEARINGS OF THE NORTH, SOUTH, EAST, & WEST BOUNDARY AS BEING 90° AS CALLED FOR IN DEED BOOK 2220 AT PAGE 443-445, RECORDED AUG. 22, 1989.

TO SET THE NORTHERLY LINE OF THE SITE I HELD A FOUND 3/4-INCH IRON PIPE, 1.00 FOOT DEEP AT THE...
I SET THE NORTHEAST CORNER OF THE SITE BY HOLDING A DISTANCE OF 186.00 FEET WHICH IS 8.00 FEET SOUTH OF A LEAD PLUG. TO SET THE EAST LINE OF THE SITE I HELD A BEARING OF SOUTH AND USED A DISTANCE OF 290.03 FEET WHICH WOULD PLACE THE SOUTHEAST CORNER OF THIS TRACT DUE EAST OF A FOUND 5/8-INCH IRON ROD (WITH NO MARKING CAP) AT THE SOUTHEAST CORNER I FOUND A 5/8-INCH IRON ROD THAT...
THE NORTHWEST CORNER THEN CALCULATED THE SOUTHWEST CORNER HOLDING A BEARING OF SOUTH AND A DISTANCE OF 275.00 FEET; I THEN CALCULATED A POINT DUE EAST A DISTANCE OF 170.00 FEET TO A POINT THAT WAS DUE NORTH AND 15.03 FEET FROM THE 5/8-INCH IRON ROD I HELD AT THE MOST SOUTHERLY SOUTHWEST CORNER, FROM THIS POINT I FOUND A BENT 5/8-INCH IRON ROD (WITH NO CAP) 1.20 FEET DEEP AND AT A BEARING OF SOUTH 29° 16' 24" EAST 0.40 FEET.

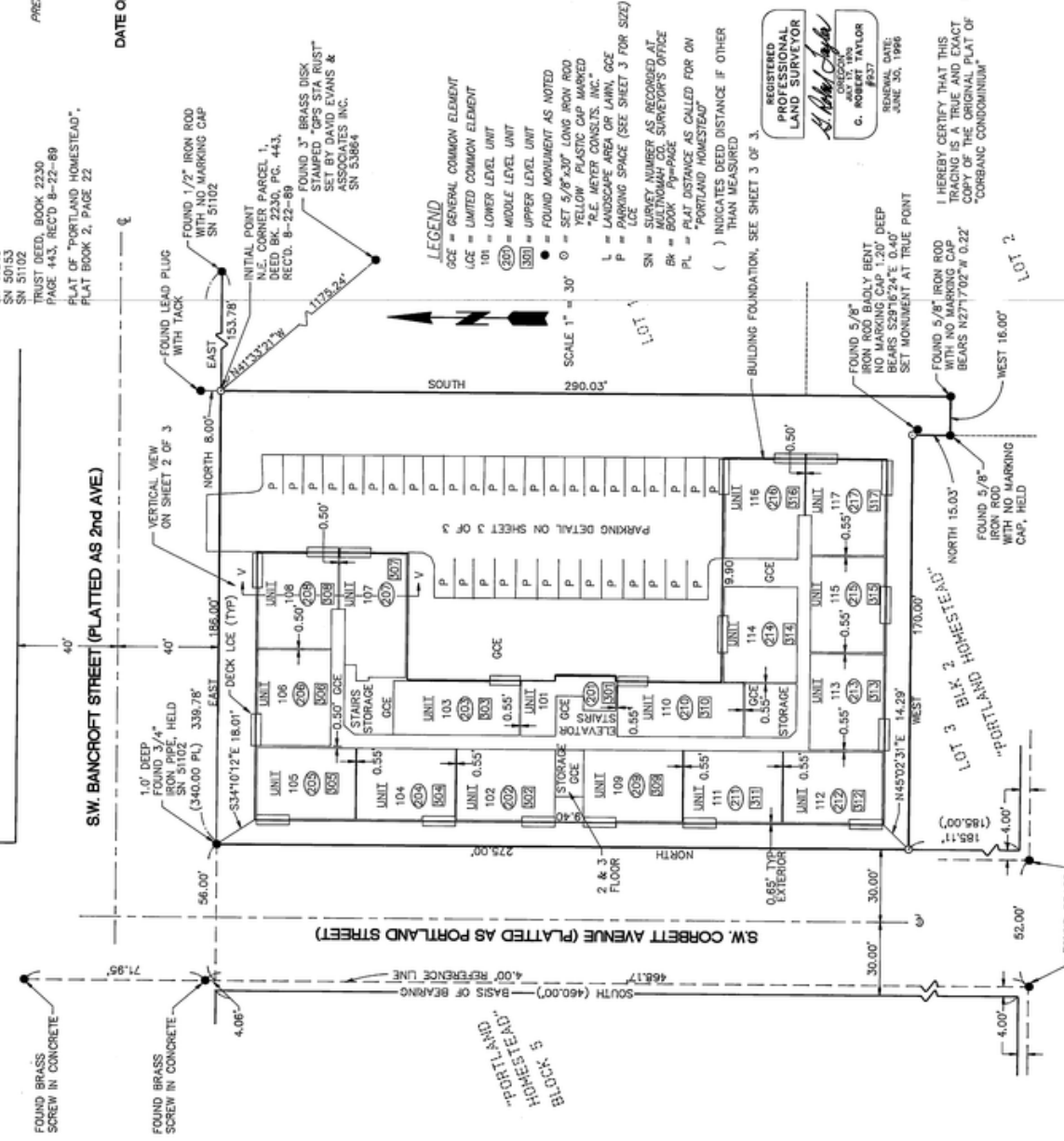
SURVEYOR'S CERTIFICATE
I, G. ROBERT TAYLOR, A REGISTERED PROFESSIONAL LAND SURVEYOR, HEREBY CERTIFY THAT I HAVE CORRECTLY SURVEYED AND MARKED WITH PROPER MONUMENTS, THE LANDS REPRESENTED ON THE ANNEXED MAP OF "CORBANC CONDOMINIUM" SITUATED IN THE SOUTHWEST 1/4 OF SECTION 10, TOWNSHIP 1 SOUTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, IN THE CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE NORTHEAST CORNER OF THAT TRACT OF LAND DESCRIBED IN A TRUST DEED AS PARCEL 1 AND RECORDED AUGUST 22, 1989 IN DEED BOOK 2220 AT PAGE 443, MULTNOMAH COUNTY RECORD, SAID POINT BEING THE INITIAL POINT OF THIS PLAT AND BEARS EAST 186.00 FEET TO THE NORTHEAST CORNER OF THE TRACT OF LAND DESCRIBED IN A TRUST DEED AS PARCEL 2, RECORDED AUGUST 22, 1989 IN DEED BOOK 2220 AT PAGE 443, MULTNOMAH COUNTY RECORD, FURTHER AT SAID INITIAL POINT I SET 5/8-INCH BY 30-INCH LONG IRON ROD WITH A YELLOW PLASTIC CAP THAT IS MARKED "G.E. MEYER CONSULTANTS, INC.", THENCE ALONG A LINE THAT IS PARALLEL WITH AND 16.00 FEET EAST OF THE EAST LINE OF SAID LOT 4, SOUTH 290.03 FEET TO A POINT THAT IS 60.00 FEET SOUTH OF THE NORTH LINE OF LOT 4, SOUTH 16.00 FEET TO A POINT WHICH I FOUND A 5/8-INCH IRON ROD (NO MARKING CAP) 1.20 FEET DEEP AND AT A BEARING OF SOUTH 29° 16' 24" EAST 0.40 FEET; THENCE WEST 16.00 FEET TO A FOUND 5/8-INCH IRON ROD (NO MARKING CAP) LOCATED ON THE EAST LINE OF LOT 3 OF SAID BLOCK 2, THENCE ALONG THE EAST LINE OF SAID LOT 3 NORTH 15.03 FEET FROM WHICH I FOUND A BADLY BENT 5/8-INCH IRON ROD (NO MARKING CAP) WHICH BEARS SOUTH 29° 16' 24" EAST 0.40 FEET; THENCE WEST 16.00 FEET TO THE WEST LINE OF SAID LOT 3; THENCE ALONG THE WEST LINE OF SAID LOT 3 NORTH 15.03 FEET TO THE NORTHWEST CORNER OF SAID LOT 3 AND LOT 4, THENCE NORTH 275.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 4 AND LOT 5, THENCE EAST 275.00 FEET TO THE EAST LINE OF SAID LOT 4 AND ITS EASTERN EXTENSION EAST 186.00 FEET TO THE INITIAL POINT AND POINT OF BEGINNING.

CONTAINS 1.18 ACRES.

SHEET INDEX

SHEET 1 - BOUNDARY, NARRATIVE, SURVEYOR'S CERTIFICATE
SHEET 2 - UNIT DETAILS, VERTICAL LIMITS, CERTIFICATE OF COMPLETION
SHEET 3 - PARKING GARAGE, SURFACE PARKING, APPROVALS, DECLARATION & ACKNOWLEDGEMENT



CORBANC CONDOMINIUM

LOCATED IN THE
SW 1/4 OF SECTION 10, TOWNSHIP 1 SOUTH, RANGE 1 EAST, W.M.
AND IN LOT 4, AND PORTIONS OF LOTS 1, 2, & 3 OF BLOCK 2, "PORTLAND HOMESTEAD"
CITY OF PORTLAND, MULTNOMAH CO. OREGON

PREPARED BY: **ROBERT E. MEYER CONSULTANTS, INC.**
4915 S.W. GRIFFITH DRIVE #200
BEAVERTON, OREGON 97005 (503) 643-7531
PROJECT NO. 1708-00

DATE OF MONUMENTATION DEC. 12, 1994
SCALE: 1"=10'

SURVEYOR'S CERTIFICATION OF COMPLETION

I, G. ROBERT TAYLOR, A REGISTERED PROFESSIONAL LAND SURVEYOR,
HEREBY CERTIFY THAT THIS PLAN OF CORBANC CONDOMINIUM
REPRESENTS THE TRUE AND CORRECT DIMENSIONS OF THE UNITS
AND THE BUILDINGS, AS DEPICTED ON SUCH PLAN, HAVE BEEN COMPLETED,
DATED THIS 21ST DAY OF DECEMBER, 1994.

G. Robert Taylor
G. ROBERT TAYLOR, P.L.S.

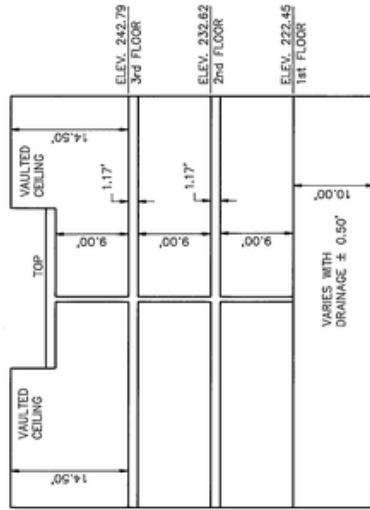
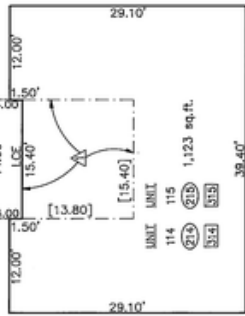
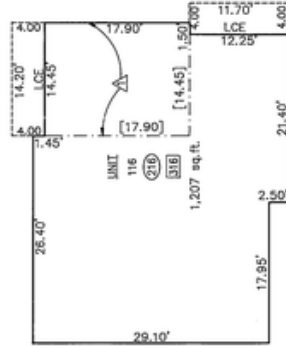
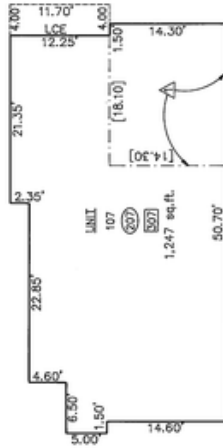
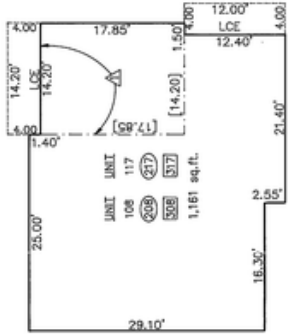
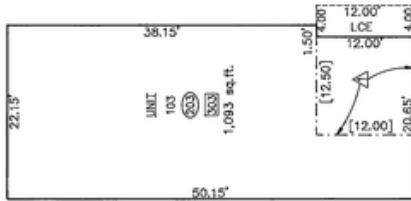
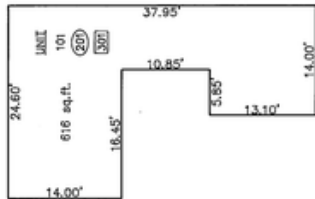
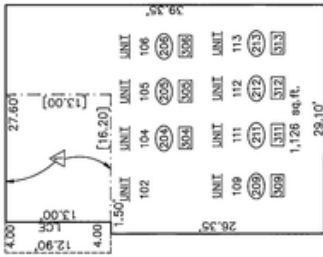
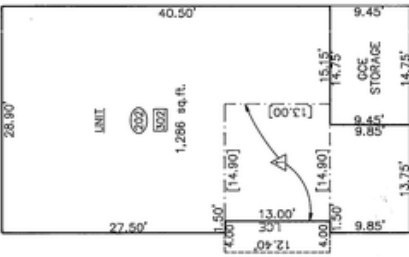


I HEREBY CERTIFY THAT THIS
PLAN IS A TRUE AND CORRECT
COPY OF THE ORIGINAL PLAT OF
"CORBANC CONDOMINIUM"

RENEWAL DATE:
JUNE 30, 1996

NOTE

- VAULTED CEILING, 3RD FLOOR ONLY
- [14.20] DIMENSION OF VAULTED CEILING
- DECK LCE & DIMENSION
- DECK ASSIGNED TO UNIT TO WHICH IT IS ATTACHED, EACH UNIT HAS A DECK
- VERTICAL DATUM BASED ON CITY OF PORTLAND BENCH MARK NO. 08, ELEVATION 222.16



V-V
VERTICAL VIEW OF UNITS

CORBANC CONDOMINIUM

LOCATED IN THE
SW1/4 OF SECTION 10, TOWNSHIP 1 SOUTH, RANGE 1 EAST, W.M.
AND IN LOT 4, AND PORTIONS OF LOTS 1, 2, & 3 OF BLOCK 2, "PORTLAND HOMESTEAD"
CITY OF PORTLAND, MULTNOMAH CO. OREGON

PREPARED BY: **ROBERT E. METER CONSULTANTS, INC.**
4915 S.W. GRIFFITH DRIVE #300
BEAVERTON, OREGON 97005 (503) 643-7537
PROJECT No. 1708-00

DATE OF MONUMENTATION Dec. 12, 1994

APPROVALS

APPROVED December 23, 1994
CITY OF PORTLAND, BUREAU OF BUILDING
BY: Richard B. Zerkow
APPROVED March 8, 1995
COUNTY SURVEYOR, MULTNOMAH COUNTY, OREGON
BY: Robert A. Young
ALL TAXES, FEES, ASSESSMENTS OR OTHER CHARGES AS
PROVIDED BY O.R.S. 100.110 HAVE BEEN PAID AS OF
MAY 15, 1995
DIRECTOR, DIVISION OF ASSESSMENT AND TAXATION
MULTNOMAH COUNTY, OREGON
BY: Robert A. Young

STATE OF OREGON) SS
MULTNOMAH COUNTY)
I DO HEREBY CERTIFY THAT THE ATTACHED CONDOMINIUM PLAT
WAS RECEIVED FOR RECORD AND RECORDED MAY 15, 1995
AT 8:00 A.M. IN BOOK 1225 ON PAGES 18, 19, 20.
BY: W. Wallace
DEPUTY
DOCUMENT NO. 95-56888

LEGEND

- GCE = GENERAL COMMON ELEMENT
- LCE = LIMITED COMMON ELEMENT
- P = LCE PARKING SPACE (SEE PARKING SPACE LEGEND)
- CONCRETE WALKWAY
- PARKING SPACE LEGEND
- A = 9'X17' PARKING SPACE
- B = 11'X17' PARKING SPACE
- C = 9'X19' PARKING SPACE
- D = 13'X17' PARKING SPACE
- E = 8'X16' PARKING SPACE
- F = 8.5'X16' PARKING SPACE
- G = 7.5'X16' PARKING SPACE

FOUNDATION

DECLARATION

KNOW ALL PERSONS BY THESE PRESENTS, THAT BALSAS PROPERTIES, INC., AN OREGON CORPORATION, IS THE DEVELOPER OF THE LANDS DESCRIBED IN THE ACCOMPANYING SURVEYOR'S CERTIFICATE AND DOES HEREBY DECLARE THE ANNEXED MAP "CORBANC CONDOMINIUM" TO BE THE PROJECTED COMMON INTEREST COMMUNITY PROPERTY TO THE OPERATION AND PROVISIONS OF THE OREGON CONDOMINIUM ACT.

THERE ARE NO WATER RIGHTS APPURTENANT TO THIS PROPERTY EXECUTED THIS 12th DAY OF December 1994.

BALSAS PROPERTIES, INC.
BY: Robert Eskandarian
ROBERT ESKANDARIAN, VICE PRESIDENT

ACKNOWLEDGEMENT

STATE OF OREGON) SS
MULTNOMAH COUNTY)

THIS CERTIFICATE THAT ON THIS 12th DAY OF December 1994, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF OREGON, PERSONALLY APPEARED ROBERT ESKANDARIAN, WHO, BEING DULY SWORN, DID SAY THAT HE IS THE VICE PRESIDENT OF BALSAS PROPERTIES, INC., AND THAT SAID INSTRUMENT WAS SIGNED ON BEHALF OF SAID CORPORATION BY THE AUTHORITY OF ITS BOARD OF DIRECTORS, AND DOES ACKNOWLEDGE SAID INSTRUMENT TO BE A FREE ACT AND DEED.

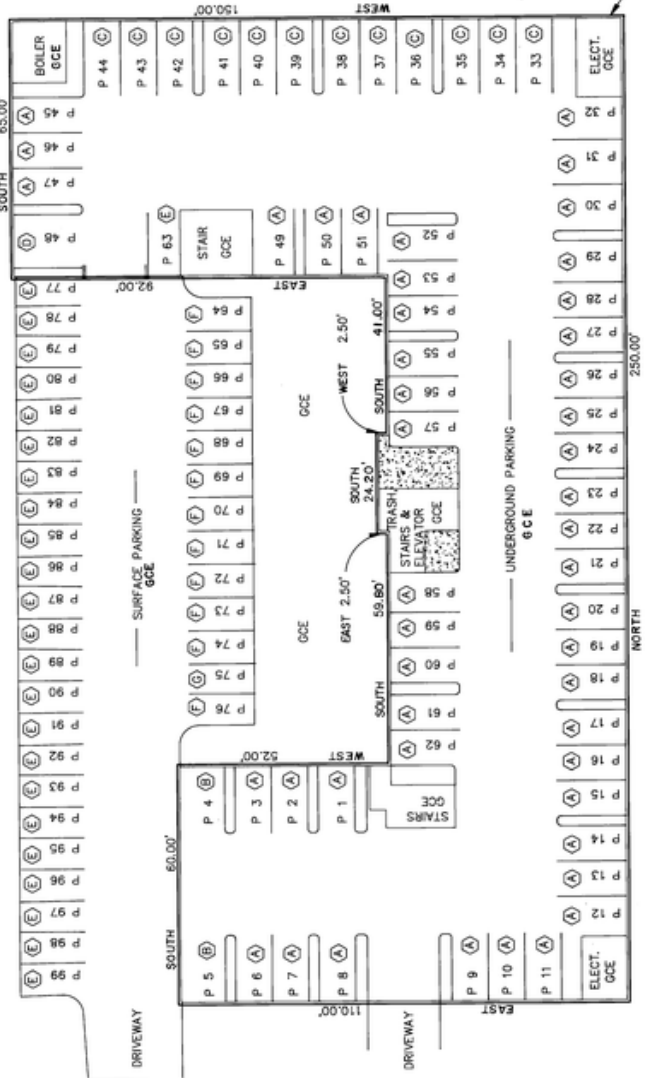
Patricia B. Keethy
NOTARY PUBLIC FOR THE STATE OF OREGON



REGISTERED PROFESSIONAL LAND SURVEYOR
Robert Taylor
OREGON
G. ROBERT TAYLOR
#837
RENEWAL DATE:
JUNE 30, 1996

I HEREBY CERTIFY THAT THIS TRACING IS A TRUE AND EXACT COPY OF THE ORIGINAL PLAT OF "CORBANC CONDOMINIUM"

SCALE 1" = 20'



0109

AFTER RECORDING RETURN TO:

Landye Bennett Blumstein LLP
3500 Wells Fargo Center
1300 SW Fifth Avenue
Portland, OR 97201
(503) 224-4100

Multnomah County Official Records
C Swick, Deputy Clerk

2010-137569



\$191.00

00745318201001375690320323

11/01/2010 11:34:05 AM

1R-AMBYLAWS Cnt=1 Stn=43 ATRGW
\$160.00 \$11.00 \$15.00 \$5.00

**AMENDED AND RESTATED BYLAWS OF
ASSOCIATION OF UNIT OWNERS OF CORBANC CONDOMINIUM**

ARTICLE 1

Association's Name and Bylaw Adoption. These are the Amended and Restated Bylaws of Association of Unit Owners of Corbanc Condominium, hereinafter, ("Association"). These Amended and Restated Bylaws ("Bylaws") have been approved and adopted pursuant to ORS 100.410 and, upon recording, supersede the Bylaws of the Association of Unit Owners of Corbanc Condominium and any amendments thereto, which were recorded as Exhibit D to the Declaration Submitting Corbanc Condominium to Condominium Ownership as Document No. 9556889 in the deed records of Multnomah County, Oregon on May 15, 1995.

1.1 Purposes. The Association is formed under the Oregon Condominium Act (hereinafter, "Act") to serve as the means through which the unit owners of the Condominium may take action with regard to the administration, management and operation of the Condominium.

1.2 Applicability of Bylaws. The Association, all unit owners of the Condominium and all persons using the Condominium property shall be subject to these Bylaws and all rules adopted under these Bylaws. All present or future owners, tenants, future tenants or their employees, or any other person that might use the facilities of the Condominium in any manner, are subject to the regulations set forth in these Bylaws. The acquisition, occupancy or rental of any of the units of the Condominium or the mere act of occupancy of any such units will constitute acceptance and ratification of these Bylaws and agreement to comply with all the provisions hereof.

1.3 Association. The owners of the units constitute the members of the Association which, through its Board of Directors, has the responsibility of administering the project, approving the annual budget, establishing and collecting assessments and arranging for the operation, management and maintenance of the Condominium, including negotiating and contracting with and supervising any person, persons or business entity with respect to such matters.

1.4 Incorporation. The Association is incorporated under the Oregon Non-Profit Corporation Law.

1.5 Membership in the Association. Upon recordation of a conveyance or contract to convey a unit, the grantee or purchaser named in such conveyance or contract shall automatically become a member of the Association and shall remain a member of the Association until such person's ownership ceases for any reason. For all purposes of the Declaration and the administration of the Condominium, unit ownership shall be determined on the basis of the records maintained by the Association. The record shall be established by the unit owner filing with the Association a copy of the deed to or land sale contract for his or her unit, to which shall be affixed the certificate of the recording officer of the County of Multnomah, Oregon, showing the date and place of recording of such deed or contract. No person shall be recognized as a unit owner unless a copy of the deed or contract showing him or her to be the current owner or contract purchaser of a unit has been filed with the Association as provided above.

1.6 Definitions.

1.6.1 The definitions found in or adopted by the Declaration shall be applicable to these Bylaws. In addition, all definitions currently found in ORS 100.005 shall be so applicable unless stated otherwise in these Bylaws.

1.6.2 Reference in these Bylaws to a percentage or a majority "of the directors" shall mean the number of currently-filled director positions, unless the reference is to "directors present." Majority in reference to directors shall mean more than 50 percent of the incumbent directors.

ARTICLE 2
Voting by Unit Owners

2.1 Voting. Each unit shall be allocated one vote in the affairs of the Association, to be exercised by an owner or co-owner of the unit. The Board of Directors shall be entitled to vote on behalf of any unit which has been acquired by or on behalf of the Association; provided, however, that the Board shall not be entitled to vote on behalf of such units in any election of directors.

2.2 Determination of Who May Exercise a Unit's Voting Right. Upon the recording of a conveyance of, or contract to convey a unit, the grantee or purchaser named in the conveyance or contract shall automatically acquire the associated voting right unless, in the case of a contract to convey a unit, the contract provides that the voting right remains with the seller. The person acquiring a unit's voting right shall retain it until such time as the person's ownership of the unit ceases for any reason. unit ownership shall be determined, for all purposes of the Declaration, these Bylaws and the administration of the Condominium, from the record of unit ownership maintained by the Association. The record shall be established by each unit owner's filing with the Association a copy of the deed or land sale contract for the owner's unit, to which copy shall have been affixed the certificate of the recording officer of Multnomah County, Oregon showing the date and place of recording of the deed or contract.

2.3 Proxies; Assignments. Each unit owner's vote may be cast in person or by proxy. Any proxy given by a unit owner to any person to represent the owner at a meeting of the Association shall be in writing, signed by the owner or a co-owner and filed with the Association

secretary. No proxy shall be valid after the meeting for which it was solicited unless expressly stated otherwise in the proxy, or after the proxy giver's ownership of the unit ceases. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. Unless withdrawn, a proxy given to another person to vote at a specific meeting also shall be valid at an adjourned meeting. In the sole discretion of the Board of Directors, a meeting of the Association may be held by ballot rather than at a formal gathering. Ballots for such meeting must be properly executed and returned in sufficient quantity to constitute a quorum and/or to pass the proposal(s) specifically propounded on the ballot. Procedures for meetings by ballot shall comply with the Oregon Condominium Act as may be amended from time to time and Section 3.6 of these Bylaws. Proxies and ballots must be retained by the Association for one year from the date of determination of the vote.

A unit owner may pledge or assign the owner's voting right to a mortgagee. In this case, the mortgagee or its designated representative shall be entitled to receive all notices to which the unit owner is entitled under these Bylaws, and to exercise the unit owner's voting right from and after the time the mortgagee has given written notice of the pledge or assignment to the Association secretary. Any first mortgagee, whether or not holding a voting right, may designate a representative to attend any or all meetings of the Association.

2.4 Fiduciaries; Joint Owners. An executor, administrator, guardian or trustee may vote, in person or by proxy, at any meeting of the Association, with respect to any unit owned or held by that person in that capacity, whether or not the unit has been transferred to the name of that person; provided, that person shall have satisfied the Association secretary that the person is the executor, administrator, guardian or trustee owning or holding the unit in that capacity. Whenever a unit is owned by two or more persons jointly, according to the records of the Association, the vote of the unit may be exercised by any one of the owners, in person or by proxy, in the absence of protest by a co-owner. In the event of such a protest, no one co-owner shall be entitled to vote without the approval of all co-owners of the unit. In the event of disagreement among the co-owners the vote of that unit shall be disregarded completely in determining the proportion of votes given with respect to the particular matter voted upon.

2.5 Unit Owner as Landlord or Contract Vendor. The voting right of a unit which is rented or leased shall be exercised only by or on behalf of the unit owner. The voting right of a unit which is the subject of a contract to convey shall be exercised only by or on behalf of the purchaser unless the contract provides that the voting right remains with the seller.

2.6 Association Quorum. At any meeting of the Association the presence, in person or by proxy, of persons holding a majority of the voting rights of the Condominium shall constitute a quorum. The subsequent affirmation of a voting right holder in the action taken at a meeting, by signing and concurring in the minutes of the meeting, shall constitute the presence of that person for the purpose of determining a quorum. When a quorum is once present, after the meeting is convened, the quorum cannot be broken by the subsequent withdrawal of voting right holders.

2.7 Majority Rule. In any voting at an Association meeting at which a quorum has been constituted, the acts of the holders of more than 50 percent of the voting rights present at the meeting, in person or by proxy, or voting by written ballot, shall be the acts of the

Association (hereinafter the “majority rule”) and shall be binding upon all unit owners for all purposes, except where a higher percentage vote is required by law, the Declaration or these Bylaws.

ARTICLE 3

Meetings of the Association

3.1 Place of Meeting. The Association shall hold its meetings at whatever suitable place is convenient for the unit owners as may be designated by the Board of Directors from time to time.

3.2 Annual Meetings. The Association shall hold its annual meeting in January or February of each year. The chairperson shall designate the specific date and time. If the chairperson should fail to designate the date and time by the first day of March, the meeting shall be held at 7:00 PM on the third Tuesday in March at a location selected by the Board of Directors. Each annual meeting shall be for the purpose of electing directors and the transaction of whatever other business may properly come before the meeting. Annual meetings of the Association may not be conducted by written ballot.

3.3 Special Meetings. Special meetings of the Association may be called by a majority of the Board of Directors. A special meeting must be called by the Board of Directors upon receipt of written petition signed by unit owners holding at least 30 percent of the voting rights of the Condominium stating the purposes of the meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice of the meeting. All special meetings called because of petition of unit owners shall be held at a formal gathering and not by ballot.

3.4 Notice of Meetings. Notice of each meeting of the Association, stating the time, place and purposes of the meeting, shall be given by the chairperson or secretary. Each notice shall be in writing and mailed or delivered to each unit owner at the owner’s address appearing in the records of the Association. Notice also shall be mailed to each first mortgagee requesting the notice. The mailing or delivery shall be not less than 10 days nor more than 50 days before the day specified for the meeting. Proof of the mailing or delivery shall be given by the affidavit of the officer giving the notice. Notice of a meeting may be waived by a unit owner before, during or after the meeting. If a meeting is adjourned for not more than 30 days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which the adjournment takes place. The minutes of a meeting themselves shall not constitute notice of a subsequent meeting.

3.5 Order of Business. The order of business at each annual meeting of the Association, except as determined otherwise in the judgment of the chairperson, shall be as follows:

3.5.1 Calling of the roll and validation of proxies;

3.5.2 Proof of notice of meeting or waiver of notice;

3.5.3 Reading of minutes of preceding meeting;

- 3.5.4 Reports of officers;
- 3.5.5 Reports of committees, if any;
- 3.5.6 Election of directors;
- 3.5.7 Unfinished business;
- 3.5.8 New business; and
- 3.5.9 Adjournment.

3.6 Ballot Meetings.

3.6.1 Any meeting of the Association, other than the annual meeting and a special meeting called by request of unit owners, may be by written ballot, rather than by formal gathering, as provided in ORS 100.425 (hereinafter, "ballot meeting"). The use of a ballot meeting may be chosen by the Board of Directors, or may be directed by unit owners under the majority rule at an Association meeting or by written requests from a majority of unit owners.

3.6.2 Each ballot used in the ballot meeting shall set forth each proposed action and provide unit owners an opportunity to vote for or against each such proposed action.

3.6.3 Matters voted on by ballot meeting shall be deemed approved or rejected as follows:

3.6.3.1 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; and

3.6.3.2 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.

3.6.4 The Board must provide owners with at least ten (10) days' notice as required by ORS 100.425(2)(c) before written ballots are mailed or otherwise delivered. If, at least three (3) days before written ballots are scheduled to be mailed or otherwise distributed, at least ten percent (10%) of the owners petition the Board requesting secrecy procedures, a written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the owner and instructions for making and returning the ballot. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

3.6.5 A solicitation for votes by written ballot shall be provided by the Association to each unit owner along with the unit owner's ballot. All solicitations for votes by written ballot shall state the following:

3.6.5.1 The number of responses needed to meet a quorum if approval of the proposed action requires that the total number of votes cast equals or exceeds a certain quorum requirement; and

3.6.5.2 The required percentage of total votes needed for approval if approval of the proposed action requires that a certain percentage of total votes casts approves the proposal.

3.6.6 All notices for votes to be conducted by a ballot meeting 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:

3.6.6.1 If approval of a proposed action 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;

3.6.6.2 If approval of a proposed action 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

3.6.6.3 In all cases, a date certain by which all ballots must be returned in order to be counted.

3.6.7 The results of a ballot meeting shall be determined by the Board of Directors within 48 hours after the deadline provided for in Section 3.6.6. Notwithstanding Sections 3.6.3 and 3.6.5 herein, written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed. Each unit owner shall be notified, by mailing or delivery of written notice within 10 days after the ballots have been counted, of the results of the ballot meeting. The Board of Directors shall retain the ballots for a period of one (1) year after the date for their return.

3.7 Adjourned Meetings. If any gathering of unit owners is not a legal meeting of the Association because a quorum has not been attained, the holders of more than 50 percent of the voting rights present, in person or by proxy, may adjourn the meeting to a time not less than 48 hours nor more than 30 days from the time for which the original meeting was called. At any legal meeting of the Association the voting right holders present may adjourn the meeting for any reason and to any time agreed upon, acting under the majority rule. At any adjourned meeting, only the business which might have been transacted at the meeting as originally called shall be transacted.

ARTICLE 4
Board of Directors

4.1 **Number and Qualification of Directors.** The affairs of the Association shall be governed by a Board of Directors consisting of five (5) individuals. Each director must be an owner or co-owner of a unit or, if the unit owner is a trustee or the unit is property of a trust, a person designated as the authorized representative of the trustee. For purposes of this section the officers of a corporation, and the partners of a partnership, shall be considered co-owners of any unit owned, respectively, by the corporation or partnership. No more than one co-owner of a unit may serve as a director at any given time.

4.2 **Powers and Duties.** The Board of Directors shall have the powers and duties necessary for governing the Association, and may do whatever acts and things are not by law or these Bylaws directed to be exercised and done by the unit owners.

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

4.3.1 Care, upkeep and supervision of the Condominium, including the common elements;

4.3.2 Assigning, supervising assignments, and approving any assignments, of the use and care of any common element, as may be required or permitted by the Declaration;

4.3.3 Determination and collection of assessments, monthly or otherwise, from the unit owners in accordance with these Bylaws, the Declaration and the Act;

4.3.4 Payment of all common expenses of the Association, and instituting and maintaining a system for such payment which provides for a sufficient number of signatories on checks and other elements of the system as is reasonably necessary to prevent misuse of the Association's funds;

4.3.5 Designation and dismissal of the personnel necessary for the maintenance and operation of the Condominium, including the common elements;

4.3.6 Subject to the limitations of the Act, leasing, subleasing or hypothecating in any manner those common elements of the Condominium which have or may have a potential of income production or other benefit to the Condominium; and

4.3.7 Adoption and enforcement of rules, restrictions and requirements for use of the Condominium by unit owners, tenants, guests and employees, which shall be consistent with these Bylaws, in particular Sections 7.3 and 7.5.

4.3.8 Causing the Association to comply with ORS 100.480 relating to maintenance within the State of Oregon of documents delivered to the Association by the original Declarant, depositing all assessments in a separate bank account in the name of the Association, payment of all expenses of the Association from the Association's bank account,

and maintenance and distribution of financial statements and to maintain copies suitable for duplication of the following: the Declaration, the Articles of Incorporation, the Bylaws, the Association rules and regulations and any amendments thereto, the most recent annual financial statement, and the current operating budget of the Association. Further, the Board of Directors shall cause to be maintained and kept current the information required to enable the Association to comply with ORS 100.480(7).

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

4.3.10 Causing the Association to file the necessary tax returns of the Association.

4.3.11 Establishing and maintaining a current mailing address for the Association.

4.4 Management Agent. The Board of Directors may employ a management agent, compensated in an amount established by the Board, to perform whatever duties and services the Board shall authorize, including but not limited to the duties listed in Section 4.3. Any such management contract must be cancelable without penalty upon ninety (90) days written notice.

4.5 Election and Term of Office. The term of office for each director position shall be fixed at two years, with the terms of two or three director positions expiring annually at the annual meeting of the Association. Each director shall hold office until his or her successor has been elected and the first subsequent Board meeting is held. At the annual meeting, the directors may be elected for all open positions by a single ballot, with each unit owner allowed to vote for the number of nominees equaling the number of vacancies, including vacancies created by expiring terms. The nominees receiving the highest number of votes shall be elected for the open positions.

4.6 Vacancies. Each vacancy on the Board of Directors for any reason other than the removal of a director by vote of the Association shall be filled for the balance of the term of that position by vote of the directors present at a regular or special Board meeting if they are a majority of the directors, even though they may constitute less than a majority of all five director positions.

4.7 Removal of Directors. At any legal annual or special meeting of the Association, other than a ballot meeting, any one or more of the directors may be removed from the Board, with or without cause, by unit owners under the majority rule. A successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting. A director shall be removed from the Board automatically if the director has failed to attend three consecutive Board meetings, unless the director is retained, or any of the absences excused, by a majority vote of the directors.

4.8 Organizational Meeting. The first meeting of a newly-constituted Board of Directors shall be held within 10 days of the election at whatever place shall be fixed by the directors at the election meeting, and no notice shall have been necessary to the newly-elected

directors in order legally to hold such first meeting if a majority of the newly-elected directors are present at such first meeting.

4.9 Regular and Special Meetings. Regular meetings of the Board of Directors may be held at whatever time and place shall be determined from time to time by a majority of the directors. Special meetings of the Board may be called by the chairperson, and a special meeting of the Board must be called by the secretary upon the written request of two or more directors. Notice of each special Board meeting shall be given to each director, by mail or delivery, at least three (3) days before the date specified for the meeting, and shall state the time, place and purpose of the meeting. Each Board meeting shall be open to unit owners. Notice of each Board meeting, other than emergency meetings, shall be posted at an appropriate place in the Condominium at least three days before the date specified for the meeting, or notice shall be provided otherwise by a method reasonably calculated to inform unit owners of the meeting. Emergency meetings of the Board may be conducted by telephonic or other electronic means of communication without notice to other unit owners.

4.10 Executive Session. At the discretion of the Board, the following matters may be considered in executive sessions:

- (a) Consultation with legal counsel concerning rights and duties of the Association regarding existing or potential litigation or criminal matters;
- (b) Personnel matters, including salary negotiations and employee discipline;
- (c) Negotiations of contracts with third parties;
- (d) Collection of assessments; and
- (e) Any other matters for which the Oregon Condominium Act permits.

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, as precisely as possible, when and under what circumstances the deliberations can be disclosed to owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting. A contract or an action considered in executive session does not become effective unless the Board of Directors, following the executive session, reconvenes in open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes.

4.11 Board of Directors Quorum; Majority Vote. At all meetings of the Board of Directors, a majority of the directors constitutes a quorum for the transaction of business. The acts of a majority of the directors shall be the acts of the Board. If at any Board meeting a quorum has not been attained, a majority of the directors 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.

4.12 Waiver of Notice. Before, during or after a meeting of the Board of Directors, any director may, in writing, waive notice of the meeting, and the waiver shall be considered equivalent to the required notice having been given. Attendance by a director at any Board meeting shall be considered a waiver by the director of notice of the time and place of the meeting. If 100 percent of the directors are present at a Board meeting, no notice to the directors shall have been required and any business which could have been noticed may be transacted at the meeting.

4.13 Compensation of Directors. A director shall not be compensated in any manner, except for out-of-pocket expenses, unless the compensation is approved by a majority of the unit owners.

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

4.15 Fidelity Bond. The Board of Directors shall require any person or entity, including but not limited to employees of any professional manager who handles or is responsible for Association funds, to furnish whatever fidelity bond the Board considers adequate. The premiums on the bond shall be paid by the Association.

4.16 Insurance. The Board of Directors shall obtain insurance as required by Article 8 of these Bylaws. In addition, the Board in its discretion may obtain whatever other insurance it considers necessary to protect the interests of the Association or the unit owners. The Board shall conduct an annual insurance review which shall include, if appropriate or required otherwise, an appraisal of all improvements contained in the Condominium.

ARTICLE 5
Officers

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

5.2 **Election of Officers.** The officers of the Association may be elected by the Board of Directors at the organizational meeting of each newly-constituted Board or at any Board meeting thereafter, and shall hold office at the pleasure of the Board.

5.3 **Removal of Officers.** Any officer may be removed by vote of a majority of the directors. A successor may be elected at any regular or special Board meeting.

5.4 **Chairperson.** The chairperson shall be the chief executive officer of the Association, and shall preside at all meetings of the Association and of the Board. The chairperson shall have all of the general powers and duties which usually are vested in the office of chairperson of an association. These include but are not limited to the power to appoint committees, from among the unit owners from time to time, such as are appropriate in the chairperson's judgment to assist in the conduct of the Association's affairs.

5.5 **Secretary.** The secretary shall keep the minutes of all meetings of the Association and of the Board. The secretary shall have charge of whatever books and papers the Board may direct. The secretary shall, in general, perform all of the duties usual for the office of secretary.

5.6 **Treasurer.** The treasurer shall have responsibility for the Association's funds and securities not held otherwise by a management agent, and shall be responsible for keeping a full and accurate accounting of all receipts and disbursements in books belonging to the Association. The treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, in whatever depositories may be designated from time to time by the Board.

5.7 **Directors as Officers.** The chairperson is required to be a director. The other officers of the Association may be, but are not required to be, directors.

5.8 **Compensation of Officers.** An officer who also is a director may not receive any compensation for serving as an officer except as authorized by a majority of the Board of Directors and the Board members wishing to be compensated shall abstain. The compensation, if any, of an officer who is not a director shall be determined by the entire Board.

ARTICLE 6
Budget, Expenses and Assessments

6.1 **Annual Budget.** The Board of Directors shall, from time to time and at least annually, estimate the expenses to be incurred during the coming year or other fiscal period, and determine the regular assessments and any special assessments to be paid by unit owners during that period. Account shall be taken of any expected non-assessment income and any surplus

available from prior operations. This 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 unit owners' failure for any reason to pay all assessments, the Board may at any time levy a further assessment.

6.2 Determination of Common Expenses. Common expenses shall consist of:

6.2.1 Expenses of administration, professional management, legal, accounting and other professional fees;

6.2.2 Expenses of maintenance, repair or replacement of common elements;

6.2.3 Cost of insurance and fidelity bonds obtained in accordance with these Bylaws;

6.2.4 Funding of reserves for major repairs and replacement of common elements, and for an operating reserve account if the Board determines such an operating reserve to be in the best interests of the Association.

6.2.5 Any deficit remaining from insufficient common expense assessments for prior fiscal periods;

6.2.6 All commonly-billed utilities and services;

6.2.7 Upon approval by a majority of unit owners, items for capital improvement to the common elements totaling more than \$10,000 in any one fiscal year (this limitation shall not apply to capital repair or replacement of existing systems); and

6.2.8 Any other items that are properly chargeable as a common expense of the Association.

6.3 General Assessment of Unit Owners for Common Expenses. Each unit owner shall be personally obliged to pay common expenses assessed to the owner by the Board of Directors, on behalf of the Association, pursuant to these Bylaws and the Declaration. Assessments may not be waived because of a unit owner's limited use or nonuse of the common elements or abandonment of the unit. An owner may not claim an offset against an assessment for failure of the Association to perform its obligations. The Board, on behalf of the Association, shall from time to time, and at least annually, assess the common expenses against the unit owners, and shall take prompt action to collect from a unit owner any assessment which remains unpaid for more than 30 days following the due date for the assessment payment. The due date for any assessment payment shall be the first day of the month for which an assessment payment is owed; provided, however, that a ten-day grace period will be allowed for each assessment payment, after which the assessment payment shall be considered in default as of its due date. The Board may levy the assessments on an annual basis and allow payment in monthly installments. Failure to pay monthly installments timely could result in acceleration of the due date for the entire assessment as provided in Section 6.13.

6.4 Individual Assessment of a Unit Owner. A unit owner may be individually assessed additional amounts for common expenses incurred by the Association through the owner's fault or direction. Further, a unit owner may be individually assessed additional amounts for charges and expenses incurred, and fines levied, by the Association in the process of collecting assessments and enforcing the Declaration, these Bylaws and the rules adopted pursuant thereto, and as may be provided otherwise in these Bylaws. Provided, however, no fine shall be levied until after at least five (5) days' notice to the owner and after an opportunity for a hearing before the Board of Directors or a person or committee designated by the Board to conduct such a hearing.

6.5 Board's Omission of Budget Estimate and Assessment Revision. The omission of the Board of Directors to fix, before the expiration of a fiscal year, the budget estimate and common expense assessment rate for the ensuing year shall not be considered a waiver or modification in any respect of any provision of these Bylaws, or a release of unit owners from the obligation to pay the assessments or any specified installments thereof. The assessment rate fixed for the preceding year, and any unpaid portions of prior special assessments, shall continue in force until the new assessment rate is fixed.

6.6 Reserves for Major Repairs and Replacement of Common Elements.

6.6.1 As a part of the budget determined by the Board of Directors under Section 6.1, the Board shall make provision for a reserve account or accounts for major repairs to and replacement of common elements, including painting, which normally will require major expenditures in more than three years but less than 30 years from the establishment of the respective reserve accounts. The amount assessed under Section 6.2 for each of these reserve accounts shall consider the estimated remaining life of the subjects of the repairs or replacement and the estimated cost of the repairs or replacement. The rate of common expense assessment for each of these reserve accounts shall be fixed by the Board at regular intervals to recognize changes in estimated costs of repairs or replacement.

6.6.2 The reserve accounts shall have a separate depository account in the name of the Association. Notwithstanding a single depository account, each reserve account shall be used only for major repairs to or replacement of common elements, as specified by the Board in establishing the account. The reserve depository account(s) shall be kept separate from the general operating funds of the Association. However, the Board may borrow funds from any of these depository accounts to meet high seasonal demands on the regular operating funds or to meet other temporary expenses, which amounts will later be repaid from regular or special assessments. All funds in the depository accounts under this section are held in trust by the Association and belong pro rata to the unit owners. However, this ownership shall be transferred with any conveyance of the unit and no owner may demand any disbursement of such funds.

6.6.3 Notwithstanding the actions of the Board regarding a reserve account under this section, the assessment rates for the accounts may be reduced, eliminated or increased by approval of at least 75 percent of the holders of voting rights present, in person or by proxy, at an Association meeting for which the notice has included this matter as an order of business.

6.6.4 The Board shall cause to be conducted the reserve studies or review thereof required by ORS 100.175(4).

6.7 Special Assessments.

6.7.1 Capital Improvements. In the case of any capital improvement or capital replacement or repair to the common elements, the Board of Directors may, by resolution, establish separate assessments and depository accounts for the improvements, which payments the unit owners may treat as capital contributions; provided, however, any resolution for capital improvement to the common elements totaling more than \$10,000 in any one fiscal year shall require approval by a majority of unit owners. The proceeds of assessments under this Section shall be used only for the specific capital improvements or capital replacement described in the resolution.

6.7.2 Other.

6.7.2.1 To correct a deficit in the operating budget by vote of a majority of the Board.

6.7.2.2 To make repairs or renovations to the common elements if sufficient funds are not available from the operating budget or replacement reserve accounts by vote of a majority of the Board.

6.8 Default in Payment of Assessments. In the event of default by a unit owner in paying to the Association any amounts assessed, the owner shall be liable for an interest charge on each defaulted payment from its due date to the date of its receipt by the Association, at the rate of 12 percent per annum or such greater rate as may be established by the Board of Directors from time to time, not to exceed the maximum lawful rate, if any. In addition, the defaulting unit owner shall pay any other reasonable late charge established by the Board from time to time, together with all expenses incurred by the Association in collecting the unpaid assessments. These expenses shall include attorneys' fees and costs incurred, whether or not suit is instituted and including such fees at trial or any trial appeal, and all other reasonable expenses or costs of the proceeding. The Board shall have the right and duty to recover for the Association the defaulted assessments together with such interest, late charges and expenses of the proceeding, including attorneys' fees, by an action brought against the unit owner or by foreclosure of the lien upon the unit granted by the Act. The Board shall notify the holder of any first mortgage on the unit of any default of the owner not cured within 30 days of the date of default only if the holder of the mortgage has sent written notice to the Association.

6.9 Association's Lien Against Unit; Inclusion of Interest, Late Charges, Fees and Fines. Whenever an assessment levied against a unit owner by the Association remains unpaid, the Association shall have a lien pursuant to ORS 100.450. Interest, late charges, fees, all other reasonable expenses or costs of the proceeding, and fines imposed pursuant to these Bylaws and ORS 100.405, as amended from time to time, shall be considered assessments under these Bylaws and ORS 100.450.

6.10 Foreclosure of Lien for Unpaid Assessments. The Association shall record a notice of claim of lien in the deed records before any suit to foreclose is commenced. In any suit

brought by the Association to foreclose a lien on a unit because of unpaid assessments, the unit owner shall be required to pay a reasonable rental for use of the unit during the pendency of the suit. The plaintiff in the foreclosure suit shall be entitled to the appointment of a receiver to collect the rental payments. The Board of Directors, acting on behalf of the Association, shall have the power to purchase the unit at the foreclosure sale and to acquire, hold, lease, mortgage, exercise the voting right appurtenant to, convey or otherwise deal with, the unit. A suit or action to recover a money judgment for unpaid assessments shall be maintainable without foreclosing the lien securing the unpaid assessments.

6.11 Statement of Assessments.

6.11.1 The Association shall provide, within ten (10) business days of receipt of a written request from an owner, a written statement that provides:

6.11.1.1 The amount of assessments due from the owner and unpaid at the time the request was received, including:

- (a) Regular and special assessments;
- (b) Fines and other charges;
- (c) Accrued interest; and;
- (d) Late payment charges.

6.11.1.2 The percentage rate at which interest accrues on assessments that are not paid when due.

6.11.1.3 The percentage rate used to calculate the charges for late payment or the amount of a fixed charge for late payment.

6.11.2 The Association is not required to comply with Section 6.11.1 if the Association has commenced litigation by filing a complaint against an owner and the litigation is pending when the statement would otherwise be due.

6.12 Transferee's Liability for Unpaid Assessments. 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 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 for the unpaid assessments. Upon request of an owner or owner's agent, for the benefit of a prospective purchaser, the Board of Directors shall make and deliver a written statement of the unpaid assessments against the prospective grantor or the unit effective through a date specified in the statement, and the grantee in that case shall not be liable for any unpaid assessments against the grantor not included in the written statement.

6.13 Acceleration of Assessment Installments. In the event a unit owner fails to pay an installment of a regular or special assessment when due, the Board of Directors may, after 10 days' written notice, declare the entire regular or special assessment against the defaulting unit

owner due immediately, and interest thereafter shall accrue on the entire unpaid balance of the assessment at 12 percent per annum or at such greater rate as may be established by the Board from time to time, not to exceed the maximum lawful rate, if any.

6.14 Deed in Lieu of Foreclosure. Where the purchaser or mortgagee of a unit obtains title to the unit as result of acceptance of a deed in lieu of foreclosure, the purchaser or mortgagee, and its successors and assigns, shall not be liable for any of the unpaid assessments against the unit which became due prior to the acquisition of title by the purchaser or the mortgagee in the following circumstances:

6.14.1 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's or trust deed 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

6.14.2 The deed in lieu of foreclosure is recorded not later than 30 days after the date the notice is mailed to the Association.

ARTICLE 7

Maintenance and Use of the Condominium

7.1 Maintenance and Repair.

7.1.1 Each unit owner shall promptly perform all cleaning, maintenance and repair work within the owner's unit, which work if omitted would affect the common elements or another unit, and shall be responsible for the damages and liabilities which may be caused by the owner's failure to perform such work.

7.1.2 Each unit owner shall be responsible for the maintenance, repair and replacement of all fixtures and improvements within the boundaries of the owner's unit, all windows and frames, skylights installed after the unit's original construction, and exterior doors and frames appurtenant to the unit, and all other elements of the unit as set forth in the Declaration.

7.1.3 Each unit owner shall keep the limited common elements which pertain to such unit in a neat, clean, safe and attractive condition and free from debris, ice and snow.

7.1.4 A unit owner shall promptly reimburse the Association for any expenses incurred by the Association in repairing or replacing any common element or units damaged, destroyed or lost through the owner's fault or at the owner's direction.

7.1.5 All other maintenance, repair and replacement for the limited and general common elements shall be performed by the Association and paid for as a common expense.

7.2 Use of Units as Residences; Internal Changes; Alterations.

7.2.1 Possession; Leasing and Rental of Units. Each unit owner is entitled to the exclusive ownership and possession of the owner's unit. All units shall be used for residential purposes only, and all common elements shall be used in a manner conducive to residential purposes. Any lease or rental agreement for a unit shall be subject to the terms and provisions contained in this Section 7.2.1 and any rules and regulations of the Association pertaining to the same.

7.2.1.1 Rental Restriction. The number of units which may be rented are limited to eleven (11) units, except in the case of hardship where such limit may increase to fifteen (15) units as set forth herein. No owner may lease or rent less than his or her entire unit and no such owner may rent his or her unit for transient or motel purposes. With the exception of a lender in possession of a unit following default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no unit owner may rent or lease his or her unit for a period of less than twelve (12) months. Provided, however, any twelve-month or longer lease may be extended beyond such term on a month-to-month basis. Occupancy shall be limited to the lessees, their household members, visitors and guests. Except as provided in this Section 7.2.1, as of the date this amendment is adopted, any unit owner not currently renting his or her unit(s) may not enter into any new rental arrangement for such unit(s) except in compliance with this Section. "Owner-occupied" shall mean any period during which the unit is occupied by an owner or an owner's spouse, children, or parents as a primary or secondary residence and no rent is charged such occupants.

7.2.1.2 Hardship. If the eleven-unit threshold set forth in paragraph 7.2.1.1 has already been reached, a unit owner may apply to the Board of Directors for a hardship-based exception to the eleven-unit threshold; provided, however, that no hardship-based exception shall be granted if doing so causes the non-owner occupancy rate to exceed fifteen (15) units. The following situations may be considered for hardship-based exceptions and, if the Board, in its sole and unfettered discretion, determines that a hardship exists, it may permit a unit to be leased for a period not to exceed one (1) year: (1) if the unit owner or his or her spouse relocates for work purposes; (2) if the unit owner dies, is hospitalized for a protracted illness, or is placed in a nursing home or a convalescent home or other facility or with family members due to illness; (3) if the unit owner is called to active military duty; or (4) if an inability to rent the unit would cause the owner significant financial hardship. The Board of Directors, in its sole and unfettered discretion, shall determine whether a unit owner's situation meets any of the factual situations set forth above and thus qualifies for a hardship-based exception. The Board may request reasonable documentation pertaining to an owner's hardship request. The Board may grant such exception only if doing so would not cause the percentage of tenant occupancy of units to exceed fifteen (15) units.

7.2.1.3 Existing Tenancies. Except for the restriction that no owner may lease or rent less than his or her entire unit and that an owner may not rent his or her unit for transient or motel purposes, the restriction on renting or leasing units shall not apply to any unit that, as of the date of adoption hereof, is being leased or rented, hereinafter referred to as an "exempt unit." However, all exempt units shall count towards the eleven-unit threshold. The owner of an exempt unit may continue to rent such unit; provided, however, that if, for any period exceeding forty-five (45) days, such unit becomes owner-occupied or vacant, the owner thereof may no longer continue to rent such unit unless the owner complies with the rental restrictions contained in this Section 7.2.1.

An owner with one exempt unit is not automatically entitled to an exemption with respect to any other unit. The renting restrictions contained in this Section apply independently to each unit owned by an owner and exemptions may not be transferred to an owner's successors and assigns, including, but not limited to, persons who acquire a unit through inheritance or gift.

7.2.1.4 Units Held for Sale. The owner of a unit may lease such unit for a term shorter than twelve (12) months and may lease such unit on a month-to-month basis if, and only if, such unit is being held for sale. However, the leased unit shall count toward the eleven-unit threshold. Such exemption does not automatically apply to any other unit owned by the same owner, and the twelve (12) month requirement applies independently to such other units and to such owner's successors and assigns, including, but not limited to, persons who acquire the unit through inheritance or gift.

7.2.1.5 Procedure. Prior to entering into any lease agreement, a unit owner shall take the following steps:

A. Apply in writing to the Board for the right to rent his or her unit.
B. Within ten (10) days of receipt of such application, the Board shall advise the unit owner whether such proposed rental would or would not exceed the eleven-unit restriction and, if it would exceed such restriction, the Board shall place the unit owner on a waiting list and shall notify the owner when the owner's unit may be rented. An owner on the waiting list may apply for a hardship exemption if such owner believes the circumstances are appropriate for such an exemption.

C. Once the Board notifies an owner that he or she may rent his or her unit, the owner must identify a proposed tenant within forty-five (45) days of such notice and provide a copy of the proposed lease, the tenant's application and documentation showing that the proposed tenant is not a registered sex offender to the Board. If an owner has not identified a tenant and provided such documentation to the Board within such 45-day period, the Board shall place such unit owner at the end of the waiting list and shall notify the next owner on the list that he or she may rent his or her unit.

D. The Board shall then review the application and approve or deny the proposed tenancy within forty-eight (48) hours of receipt. The Board may establish a subcommittee of Board members to review applications. The Board shall not unreasonably deny a proposed tenant.

E. Once the Board approves a tenancy, the owner shall provide a copy of the signed lease and receipt for Association documents to the Board within seven (7) days of lease signing.

F. An owner that receives permission from the Board to rent his or her unit may continue to rent or re-rent such unit upon the expiration or termination of each tenancy, provided that, if the unit becomes owner-occupied or vacant for any period exceeding thirty (30) days, the owner no longer may rent the unit and must reapply to the Board for the right to re-rent the unit.

7.2.1.6 Compliance with Documents. All tenants shall be subject to the terms of the Declaration, Bylaws, and Rules and Regulations of the Association and the Board of Directors. Each lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, Bylaws, and Rules and Regulations and that any failure by a lessee to comply with the terms thereof shall be a default under the lease. Each tenant shall be provided copies of the Declaration, Bylaws and Rules and Regulations by the owner of the unit being leased at the beginning of the lease term and thereafter with any amendments to such documents. A unit owner shall provide to the Board a receipt signed by the tenant attesting that the tenant received copies of such documents. A unit owner may be assessed personally for any expenses incurred by the Association resulting from damage to the common elements caused by such owner's tenant. After

giving notice and an opportunity to be heard, owners may be fined for their tenant's noncompliance with any provision of the Declaration, Bylaws and Rules and Regulations, and such fines shall be collectible as assessments as elsewhere provided in the Bylaws.

7.2.1.7 Enforcement. If a unit owner fails to follow the procedures set forth in this Section with respect to the leasing of his or her unit, at any time after learning of such leasing, the Board of Directors may charge such owner an administrative fee, the amount of which shall be determined from time to time by Board resolution. The purpose of the fee is to reimburse the Association for time, costs and expenses of management time incurred to obtain information about the tenant and to provide such tenant with copies of Association documents. Provided, however, that charging an owner an administrative fee and/or providing such owner's tenant with copies of Association documents shall not bar or limit the Association's remedies arising from such owner's violations of the provisions of the Declaration, Bylaws and Rules and Regulations, including, without limitation, the right to sue for an injunction, for damages and to remove the tenant in the event that the tenancy violates any provision of this Section.

7.2.1.8 Rent to Association. If a unit is rented by its owner, the Board may collect, and the tenant or lessee shall pay over to the Board, so much of the rent for such unit as is required to pay any amounts due the Association pursuant to the Declaration and Bylaws, plus interest and costs if the same are in default over thirty (30) days. The renter or lessee shall not have the right to question payment over to the Board. Such payment will discharge the lessee's or renter's duty of payment to the owner for rent, to the extent such rent is paid to the Association, but will not discharge the liability of the owner and the unit under the Declaration for assessments and charges, or operate as an approval of the lease. The Board shall not exercise this power where a receiver has been appointed with respect to the unit or its owner, nor in derogation of any right which a Mortgagee of such unit may have with respect to such rents.

7.2.2 Alterations; Additions. A unit owner shall make no repair or internal change to, or perform any other work on, the unit which would jeopardize the soundness or safety or reduce the value of the Condominium, or impair any easement or hereditament or increase the common expenses of the Association, unless the written consent of the Board of Directors and all other unit owners directly affected is first obtained. Subject to this limitation, however, a unit owner may:

7.2.2.1 Make any internal improvements or alterations to the unit which do not impair the structural integrity or mechanical systems, if any, of the Condominium or lessen the support of any portion of the Condominium.

7.2.2.2 After acquiring an adjoining unit or an adjoining part of an adjoining unit, submit a written request to the Board of Directors for permission to remove or alter any intervening partition or to create apertures therein, even if the partition in whole or in part is a common element. The Board shall approve the change unless it determines within 45 days of the request or submission of the professional opinion which may be required by the Board, whichever occurs later, that the proposed change will impair the structural integrity or mechanical systems of the Condominium, or will lessen the support of any portion of the Condominium, or will not meet the limitations set forth in this Section 7.2.2. The Board may require the unit owner, at the owner's expense, to submit an opinion of a registered architect or

registered professional engineer that the proposed change will not impair the structural integrity or mechanical systems of the Condominium, will not lessen the support of any portion of the Condominium, and will not contravene the limitations set forth in this Section 7.2.2. Removal of partitions or creation of apertures under this section is not considered an alteration of boundaries.

7.3 Use of the Common Elements.

7.3.1 Common Elements For Which An Interest Was Granted Under Section 12.3 of the Declaration. A unit owner shall use any common element to which the owner has obtained an interest pursuant to Section 12.3 of the Declaration only for the purposes for which they were and are intended and shall not change the appearance of such common elements in any way without first obtaining the written permission of the Board of Directors.

7.3.2 Common Elements Generally. Except as otherwise provided in Section 7.3.1, a unit owner shall use the common elements only for the purposes for which they were and are intended and may not hinder or encroach upon the lawful rights of the other unit owners.

7.3.3 Changes to the Common Elements and External Changes to Unit. A unit owner shall not add fencing, lattices, alterations in existing landscaping, or other improvements, to any common element, whether or not the owner has obtained an interest in the common element pursuant to Section 12.3 of the Declaration, without first obtaining the written permission of the Board of Directors. A unit owner may submit a written request to the Board for permission to change the exterior appearance of the owner's unit. If the owner complies with the rules adopted by the Board regarding such changes and obtains the Board's written permission, the owner may thereupon proceed under the prescribed conditions to make the changes authorized by that permission.

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

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

7.4 Relocation of Boundaries.

7.4.1 The boundaries between adjoining units, including any intervening common elements, may be relocated or eliminated by an amendment to the Declaration. The owners of the affected units shall submit to the Board of Directors a proposed amendment which shall identify the units involved, state any reallocations of interests in the common elements, voting rights, common expense liability and right to common profits, and shall contain words of

conveyance. The Board shall approve the amendment unless it determines within 45 days of the submission of the proposed amendment or of the professional opinion which may be required by the Board, whichever occurs later, that the reallocations are unreasonable or the relocations or eliminations will impair the structural integrity or mechanical systems of the Condominium, or lessen the support of any portion of the Condominium, or contravene the limitations set forth in Section 7.2.2.

7.4.2 The Board may require the owners of the affected units to submit an opinion of a registered architect or registered professional engineer that the proposed relocations or eliminations will not impair the structural integrity or mechanical systems of the Condominium, will not lessen the support of any portion of the Condominium, and will not contravene the limitations set forth in Section 7.2.2.

7.4.3 The Board may, or any agent it appoints shall, supervise the work necessary to effect the boundary relocations or eliminations.

7.4.4 The amendment to the Declaration shall be executed by the owners and mortgagees of the affected units, certified by the chairperson and secretary of the Association, and approved and recorded in accordance with ORS 100.135(1)(b), as amended from time to time.

7.4.5 Any expenses incurred by the Association under this section shall be charged to the owners of the units requesting the relocation or elimination of the boundaries.

7.5 Restrictions and Requirements for Use of Condominium. The following restrictions and requirements are in addition to all other restrictions and requirements contained in the Declaration and these Bylaws:

7.5.1 No commercial activities of any kind shall be carried on in any unit or in any other portion of the Condominium without the written consent of the Board of Directors, except activities relating to the sale or permitted rental of a unit and those professions and occupations which can be carried on in an owner's unit which are non-intrusive on other occupants and with respect to which clients, customers and vendors do not regularly make visits to the owner's unit or the common elements. This Section 7.5.1 shall not be construed, however, so as to prohibit or prevent a unit owner from maintaining a personal professional library, keeping personal or professional business records or accounts, handling personal or professional business including telephone calls, or conferring with business or professional associates, clients or customers, in the owner's unit. To the extent any commercial activity is allowed under this Section 7.5.1, it shall be limited to those activities permitted by and shall be subject to applicable ordinances.

7.5.2 Nothing shall be done or kept in any unit or in the common elements which will increase the cost of the insurance obtained by the Association. A unit owner shall not permit anything to be done or kept in the unit or in the common elements which will result in cancellation of the insurance on any unit or any part of the common elements.

7.5.3 No animals, livestock, or poultry of any kind may be raised, bred or kept in or at any unit, except for dogs or cats, and only in reasonable numbers. Those pets which are

so permitted shall not cause any noise or disturbance which reasonably would be considered a nuisance to other unit owners, and the owners of such pets shall comply with all applicable state and local laws. The unit owner keeping any dog or cat must keep it on a leash when the animal is not confined in the unit or any limited common element, and the owner must promptly and properly dispose of the animal's feces.

7.5.4 No part of the Condominium may be used or maintained as a dumping place for rubbish, trash, garbage, recyclables or any other waste. No rubbish, trash, garbage, recyclables or other waste may be kept or maintained in any part of the Condominium except in a sanitary container located within a building or within an enclosure hidden from view of unit owners and the public. All rubbish, trash, garbage, recyclables or any other waste must be promptly and regularly removed.

7.5.5 No noxious, offensive or unsightly conditions are permitted in any portion of the Condominium, nor may anything be done in the Condominium which may be or become an annoyance or nuisance to the neighborhood.

7.5.6 No car parts, household appliances or immobilized or immobile vehicles shall be placed or stored upon any common element of the Condominium. Any such items are subject to removal by the Board after 72 hours without notice, at the expense of the responsible party.

7.5.7 No clothes lines, clothes racks or other apparatus on which items are exposed shall be located outside the Condominium units except for short periods in appropriately secluded areas.

7.5.8 No individual shall post or allow any advertisement or poster of any kind in or upon the Condominium where it is visible from other units or the outdoors, except as authorized by rules adopted by the Board. These rules shall be intended to maintain an attractive environment.

7.5.9 All individuals shall exercise extreme care about making noises, or using musical instruments, radios, television sets or audio amplifiers, which unreasonably may disturb other residents or guests of the Condominium.

7.5.10 No garments, rugs, rags, laundry or other clothing or materials shall be allowed to hang from the windows or facades of the Condominium, or in the Condominium carports.

7.5.11 No individual shall dust or clean rugs from the unit windows or beat them upon the building exteriors.

7.5.12 No individual shall install wiring for electrical or telecommunications installation, or install antennas, machines, air conditioning or heating units, solar panels or other devices on the exterior of a unit, or cause any of these to protrude through the perimeter walls, windows or roof of a unit, except as first authorized in writing by the Board. No window or door guards, awnings, shades, lights or noise-making devices shall be installed on the exterior of a

unit or on any common element without the prior written consent of the Board. This consent will not be given without the unit owner's full compliance with Section 7.2.

7.5.13 No trucks or recreational vehicles, except those used primarily as private passenger vehicles, or boats or trailers, shall be used for residential purposes, or stored, in the parking spaces of the Condominium. Temporary parking of such vehicles and boats in the Condominium parking spaces shall be subject to rules adopted by the Board which shall strive to maintain an attractive environment while accommodating unit owners' temporary parking needs.

7.5.14 Parking shall be allowed in the Condominium only within clearly marked parking spaces as assigned to the units by the Board. Each unit owner shall be responsible to ensure that the owner's guests or tradespeople do not park in spaces assigned to other units.

7.5.15 Nothing else shall be done or kept in any unit or in the common elements which is contrary to law.

7.6 Association Rules. The Board of Directors from time to time may adopt, modify or revoke such rules governing the conduct of individuals, and the operation and use of the units and common elements, as the Board considers necessary or appropriate to assure the peaceful and orderly use and enjoyment of the Condominium. Any rule action by the Board may be modified or revoked by the affirmative vote of voting right holders present, in person or by proxy, who hold over 50 percent of the voting rights of the Condominium, at any Association meeting for which the notice shall have stated that such modification or revocation of rules would be under consideration. A copy of the rules upon adoption, and a copy of each modification or revocation thereof, shall be mailed or delivered by the Association secretary promptly to each unit owner, and shall be binding on all unit owners and occupants of units from the date of delivery or the date specified in the rule action, whichever is later.

7.7 Abatement and Enjoining of Violations. The violation of any rule adopted pursuant to these Bylaws, or the breach of any provision contained in these Bylaws or the Declaration, shall give the Board of Directors, acting on behalf of the Association, the following rights, in addition to any other rights set forth in these Bylaws:

7.7.1 To enter the unit in which or as to which the violation exists, if the Board has reason to believe an emergency or threat to public health or safety is present, and to summarily abate and remove, at the expense of the violating unit owner, any structure, thing or condition which may exist in the unit contrary to the intent and meaning of these Bylaws and the Declaration, and the Board shall not thereby be considered guilty of any manner of trespass.

7.7.2 To enjoin, abate or remedy such thing or condition by appropriate legal proceedings.

7.7.3 To levy reasonable fines after giving notice and an opportunity to be heard.

7.8 Assessments for Violations. All expenses incurred by the Association pursuant to Section 7.7 in remedying the violation, all damage incurred by the Association or unit owners, and all fines so levied, shall be assessed against the offending unit as a common expense and

collected as provided in Article 6. In addition, any aggrieved unit owner may bring an action to recover damages or to enjoin, abate or remedy such a thing or condition by appropriate legal proceedings.

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

ARTICLE 8

Insurance

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

8.1 Types of Insurance Policies. For the benefit of the Association and the unit owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance to the extent that it is available at reasonable cost:

8.1.1 A policy or policies of property insurance, including, but not limited to, fire, extended coverage, vandalism and malicious mischief, for the full insurable replacement value, if available, of all units and common elements, and such other property insurance as the Board of Directors shall determine, to give substantially equal or greater protection to unit owners and their mortgagees, as their respective interests appear, which policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees, if any, of each unit. For the purposes of any policy or policies of property insurance, the term "building" shall include fixtures, installations or additions constituting a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Condominium units initially installed or replacement thereof, in accordance with the original Condominium plans and specifications, or installed by or at the expense of any unit owner or owners.

8.1.2 A policy or policies insuring the Association, the Board of Directors, the unit owners individually, and the management agent, if any, against any liability to the public or the owners of units and their invitees or tenants, incident to the ownership, supervision, control or use of the Condominium. Limits of liability under such insurance shall be not less than \$1,000,000 per occurrence for bodily injuries and property damage. Such limit and coverage shall be reviewed at least annually by the Board of Directors which, in its discretion, may increase either. Said policy or policies shall be issued on a comprehensive liability basis and

shall provide cross liability endorsements wherein the rights of a named insured under the policy or policies shall not be prejudiced with respect to his action against another named insured.

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

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

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

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

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

8.4 Value of Owner Improvements. Each unit owner must inform the Board of Directors of the value of improvements made to his unit in excess of Ten Thousand Dollars (\$10,000) so that the Board of Directors may make any desired adjustments in insurance coverage. Nothing in this section shall permit an owner to make improvements without first obtaining the approval of the Board of Directors pursuant to Article 7.2.

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

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

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

8.5.3 A provision that the master policy on the Condominium cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the

Board of Directors or the manager without prior demand in writing that the Board of Directors or manager cure the defect.

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

8.6 Reconstruction Costs. If the Association is required or elects to reconstruct any common element or unit that has been damaged or destroyed, an affected unit owner (i.e., the owner whose unit has been damaged or destroyed) shall contribute to the Association all amounts received by such owner from property loss insurance policies to help pay for the repairs. To the extent that such insurance proceeds are unavailable or unpaid when needed, the Association may assess such owner the amount of the Association’s “deductible” under its policy to pay the cost of repairing or reconstructing such owner’s unit if in the Board’s judgment charging the owner for the “deductible” portion of the loss is appropriate. Such assessment shall be both a personal obligation of such owner and a lien against such owner’s unit in the same manner as any other Association assessment.

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

The Association shall have no responsibility to procure or assist in procuring property loss insurance for any owner or tenant for: (a) damage to a unit elements not covered by the Association’s policy (because of the deductible amount or because the claim for loss or damage is one not normally covered by fire and property loss insurance policies with extended coverage endorsements); or (b) for any damage or loss to the owner’s or tenant’s personal property. Owners shall be responsible for purchasing insurance policies insuring their units for the deductible amount under the Association’s policies and for insuring their own personal property for any loss or damage. Proof of such insurance coverage shall be provided to the Association’s Secretary by the unit owner. Tenants shall be responsible for insuring their own personal property for any loss or damage. The Board of Directors shall notify all owners of the amount of the deductible under the Association policies. To the extent reasonably practicable, the Board of Directors shall give at least thirty (30) days’ notice to the owners of any increase in the deductible proposed in renewal or replacement insurance policies. Owners and tenants of all units shall procure and maintain comprehensive liability policies having combined limits of not less than \$50,000 for each occurrence. Such insurance shall provide coverage for, without limitation, the negligent acts of the owner(s) and tenant(s) and their guests or other occupants of the unit(s) for damage to the general and limited common elements and other units and the personal property of others located therein.

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

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

ARTICLE 9

Damage and Destruction

9.1 Insurance Proceeds Sufficient to Cover Loss. In the case of fire, casualty or any other damage or destruction, the insurance proceeds of the master policy, if sufficient to reconstruct the buildings damaged or destroyed, shall be applied to the reconstruction. Reconstruction of the damaged or destroyed buildings means, in this section, restoring the buildings to substantially the same condition in which they existed before the fire, casualty or disaster, with each unit and the common elements having the same vertical and horizontal boundaries as before. The reconstruction shall be accomplished under the direction of the Board of Directors or the management agent.

9.2 Insurance Proceeds Insufficient to Cover Loss. If the insurance proceeds are insufficient to reconstruct the damaged or destroyed buildings, the damage to or destruction of such buildings may be repaired and restored by the manager or the Board of Directors using the proceeds of insurance, if any, on such buildings for that purpose; and all the unit owners may be liable for assessment for any deficiency for such reconstruction, such deficiency to take into consideration as the owner's contribution any individual policy insurance proceeds provided by such owner. Provided, however, that the Board of Directors shall not have the sole authority to decide whether to repair or reconstruct a unit that has suffered damage or that a unit must be repaired or reconstructed. Further, if seventy-five percent (75%) or more in value of all the buildings are destroyed or substantially damaged and if the owners of at least seventy-five percent (75%) of the units do not, voluntarily within sixty (60) days after such destruction or damage, make provision for reconstruction, the manager or the Board of Directors shall record with the County Recorder an amendment to the Declaration which shall cause removal of the Condominium from the provisions of ORS 100.005 *et seq.* The amendment shall contain the information required by ORS 100.600. Upon the recording of the amendment the condominium property and the interest of each unit owner shall be treated in the following manner:

9.2.1 The Condominium shall be considered to be owned in common by all the unit owners.

9.2.2 The respective interest of each unit owner in the property shall be determined by ORS 100.610 in effect on the date the amended declaration is recorded.

9.2.3 Any liens affecting any of the units shall be considered to have been transferred, in accordance with the existing priorities, to the undivided interests of the respective unit owners.

9.2.4 The Condominium shall be subject to an action for partition upon the suit of any unit owner. If a decree of partition orders the sale of the Condominium, the net proceeds

of sale, together with the net proceeds of the policies of insurance on the Condominium, if any, shall be considered as one fund and shall be divided among all of the unit owners in proportion to their respective undivided interest after first paying, out of the respective share of each owner to the extent the share is sufficient for the purpose, all liens on that owner's undivided interest in the Condominium.

9.3 Architectural Changes After Damage or Destruction. Notwithstanding all other contrary provisions of these Bylaws, the unit owners, subject to the Act, by an affirmative vote of sufficient owners to amend these Bylaws, may cause an amendment to be made to the Condominium documents so as to facilitate architectural changes which the unit owners affected thereby and the Association consider desirable. This section shall apply if, and only if, the partial or total destruction of the Condominium or any buildings thereof, by fire, casualty or other disaster, is so great as to require the substantial reconstruction of the whole of the Condominium or said buildings. Any such amendment of the Condominium documents shall be valid only upon:

9.3.1 The recording of the documents with the recording officer of Multnomah County, Oregon; and

9.3.2 The recording, with that officer, of the approval of the documents by each mortgagee and each other lienholder of record having a lien against any part of the Condominium or building affected by the recorded amendment.

ARTICLE 10 **Condemnation**

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

ARTICLE 11 **Amendments to the Bylaws**

11.1 How Proposed. Amendments to these Bylaws may be proposed either by a majority of the Board of Directors or by holders of at least 30 percent of all voting rights of the Condominium. The proposed amendments must be reduced to writing and be included in the notice of any Association meeting at which action is to be taken on the proposed amendments.

11.2 Adoption of Regular Amendments. Bylaw amendments may be approved by the Association at a duly constituted meeting or ballot meeting conducted for that purpose. The approval of a majority of the unit owners is required for adoption of any amendment except the amendments described in Section 11.3, which require a higher percentage.

11.3 Adoption of "Restricted Amendments". Under ORS 100.410 as in effect at the time these Bylaws became effective, any Bylaw amendments which relate to pets, occupancy restrictions concerning the age or number of occupants, or the rental or leasing of units, shall require the approval of 75 percent of all voting rights of the Condominium for adoption.

11.4 Execution and Recording. An amendment to these Bylaws shall not be effective until certified by the chairperson and secretary of the Association and recorded as required by law.

ARTICLE 12

Records and Audits

12.1 General Records. The Board of Directors and management agent, if any, shall keep detailed records of the actions of the Board and management agent, minutes of the meetings of the Board, and minutes of the meeting of the Association. The Board shall maintain a Book of Resolutions containing the rules and policies adopted by the Association, Board of Directors and the management agent. The Board may compile these resolutions into a codified set of rules, in which case the codified rules shall replace and supersede previously adopted resolutions. With respect to rules and policies adopted before the effective date of these Bylaws, they shall be included to the extent reasonably possible. The Board of Directors shall maintain a list of owners entitled to vote at meetings of the Association and a list of all mortgagees of units who have provided written notice to the Association.

12.2 Records of Receipts and Expenditures. The Board of Directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures relating to the common elements, itemizing the maintenance and repair expenses for the common elements and any other expenses incurred, and shall keep all other financial records necessary for proper accounting purposes. These records shall be available for examination by the unit owners and mortgagees upon reasonable notice to the Board.

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

12.4 Reports and Audits. The Board of Directors shall prepare or cause to be prepared an annual financial statement consisting of a balance sheet and income and expense statement setting forth the financial condition of the Association as of the end of each year. The report shall be prepared according to generally accepted accounting procedures and shall be distributed to all unit owners within ninety (90) days after the end of each fiscal year. In the event the Association's annual assessments exceed \$75,000.00, the Board of Directors shall cause the

financial statement to be reviewed within one hundred eighty (180) days after the end of the fiscal year by an independent certified public accountant licensed in the State of Oregon, in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. In the event the annual assessments are \$75,000.00 or less, the Board of Directors shall cause the most recent financial statement of the Association to be reviewed in the manner described above within one hundred eighty (180) days after the Board of Directors receives a petition requesting review signed by owners holding at least a majority of the voting rights in the Association. At any time and at his own expense, any owner or mortgagee may cause an audit or inspection to be made of the books and records of the Association.

12.5 Notice of Sale, Mortgage, Rental, or Lease. Immediately upon the sale, mortgage, rental or lease of any unit, the unit owner shall inform the Association secretary of the name and address of the purchasers, mortgagee, tenant or lessee, in addition to any other requirement and under Section 7.2.1.

12.6 Inspection of Records by Unit Owners. All records of the Association shall be reasonably available for examination by each unit owner and each mortgagee of a unit. Upon written request, the Association shall make available for duplication, under Board control, any such records. The Association may charge a reasonable fee for furnishing copies of any documents, information or records under this section. At any time any owner or mortgagee may, at that person's own expense, cause an audit or inspection to be made of the books and records of the Association.

ARTICLE 13 Miscellaneous

13.1 Notices. All notices to the Association or the Board of Directors shall be sent in care of the management agent or, if there is no management agent, to the principal office of the Association or to such other address as the Board of Directors may designate from time to time. All notices to any unit owner shall be sent to the address the owner designates, from time to time, in writing to the Board of Directors or, if no address has been designated, to the owner's unit.

13.2 Waiver. No restriction, condition, obligation or provision in these Bylaws, the Declaration or rules adopted pursuant hereto shall be considered to have been abrogated or waived by reason of any failure of enforcement, irrespective of the number of violations or breaches which may have occurred.

13.3 Assessment and Fine Collection Costs; Enforcement; Suits and Actions. Whether or not suit or action is commenced, unit owners shall be obliged to pay reasonable fees and costs, including, but not limited to, attorney's fees (whether or not suit or action is commenced) incurred in connection with efforts to collect delinquent and unpaid assessments, fines and enforcement of the Declaration, Bylaws or rules and regulations of the Association. In addition to the assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines and interest imposed pursuant to ORS 100.405(4)(j)(k)(L).

13.4 Reports. The Condominium Information Report, the Annual Report and any amendments to either report, along with the associated fees, shall be submitted to the Real Estate Agency by the Board of Directors when due.

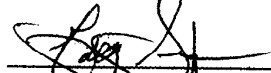
13.5 Restriction of Delinquent Owner's Rights. In the event a unit owner fails to pay an assessment when due or violates any provision of the Declaration, these Bylaws or the rules adopted pursuant thereto, the Board of Directors, in accordance with any applicable laws and after giving notice and an opportunity to be heard, may terminate the right of the owner to receive utility services paid for out of assessments, and access to and use of recreational facilities available to unit owners, as long as the assessment remains unpaid or the violation continues.

13.6 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, as the context requires. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.


13.7 Conflicts. These Bylaws are intended to comply with the Act and the Declaration. In case of any irreconcilable conflict the Act and the Declaration shall be paramount over these Bylaws and any rules adopted pursuant thereto.

The undersigned Chairperson and Secretary of the Association of Unit Owners of Corbanc Condominium hereby certify that these Bylaws were adopted by the members of the Association at a duly held election as required under the Bylaws and the Oregon Condominium Act.

BOARD OF DIRECTORS OF THE
ASSOCIATION OF UNIT OWNERS OF
CORBANC CONDOMINIUM



Chairperson



Secretary

STATE OF OREGON

)

) ss:

October 25th, 2010

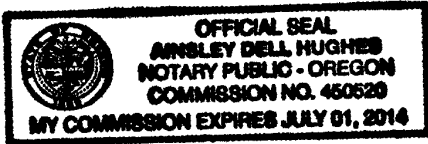
County of Multnomah

)

Personally appeared the above-named William Greg Sears the acting Chairperson, and Terry Gordon Hannay, the acting Secretary of the Board of Directors of the Association of Unit Owners of Corbanc Condominium, being sworn stated that these Amended and Restated Bylaws are voluntarily signed on behalf of the Association of Unit Owners of Corbanc Condominium.



NOTARY PUBLIC FOR OREGON



11
3/10

AMENDMENT TO THE BYLAWS OF THE CORBANC CONDOMINIUM

Recitals:

This Amendment to the Bylaws of the Corbanc Condominium, to be effective on its recording in the deed records of Multnomah County, Oregon is made and executed date of this document and executed by the Chairperson and Secretary of the Corbanc Condominium Homeowner's Association.

Corbanc Condominium Bylaws as Amended

Paragraph 5.4(a)

Special Assessments for Capital Improvements. In the case of any duly authorized capital improvement to the common elements, the board of directors may by resolution establish separate assessments for the same, which may be treated as capital contributions by the unit owners, and the proceeds of which shall be used only for the specific capital improvements described in the resolution.

Paragraph 9.2

Adoption. A resolution adopting a proposed amendment may be proposed by either the board of directors or by the unit owners and may be approved by the unit owners at a meeting called for this purpose or by ballot vote. Unit owners not present at the meeting considering such amendment may express their approval in writing or by proxy. Any resolution must be approved by unit owners holding a majority of the voting rights and by mortgagees to the extent required by the Declaration, except that any amendment relating to age restrictions, pet restrictions, limitations on the number of persons who may occupy units, or limitations on the rental or leasing of units must be approved by unit owners holding seventy-five (75%) or the voting rights. Declarant's consent shall also be required so long as Declarant owns twenty-five percent (25%) or more of the units in the condominium. Such consent shall not be required after three (3) years from the date of conveyance of the first unit to a person other than Declarant.

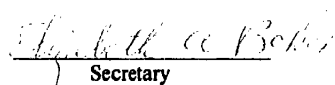
For the Record. The Amendment to Paragraph 5.4(a) is diminishing a special Declarant right and the Amendment to Paragraph 9.2 is deleting this consent requirement, another special Declarant right. The Declarant has sold all of his units and no longer would be affected by these Amendments.

Effects of Amendment. Except as expressly set forth herein, the Original Bylaws remain unamended and in full force and effect.

Dated at Portland, Oregon, this 2/24 day of _____, 1999, this Amendment to the Original Bylaws of Corbanc Condominium being hereby adopted by the undersigned Chairperson and Secretary on behalf of the Association.

The undersigned officers of Corbanc Condominium Homeowner's Association hereby certify that this Amendment to the Bylaws of Corbanc Condominium has been adopted in accordance with the Declaration and Original Bylaws of Corbanc Condominium, as applicable, and the provisions of ORS 100.410, by virtue of the execution of this instrument by the Chairperson and Secretary.


Chairperson


Secretary

This instrument filed for record by Fidelity National Title as an accommodation only. It has not been examined as to its execution or as to its effect upon the title.

806164

Recorded in the County of Multnomah, Oregon

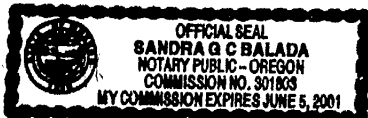
Total : C. Swick, Deputy Clerk 24.00
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25x10

STATE OF OREGON)
)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on this 29th day of December 1999 by
Erica M. [unclear] the Chairperson of Corbanc Condominium Homeowner's Association, on
behalf of the Association



[Signature]
Notary Public for [Signature]
My Commission Expires: 6/5/01

STATE OF OREGON)
)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on this 27th day of December 1999 by
[Signature] the Secretary of Corbanc Condominium Homeowner's Association, on behalf
of the Association



[Signature]
Notary Public for [Signature]
My Commission Expires: 6/5/01

The foregoing Ammdment to the Bylaws of Corbanc Condominium is approved pursuant to ORS
100.410 this 4th day of January, 2000

SCOTT W. TAYLOR
Real Estate Commissioner
By [Signature]
Brian DeMarco

AFTER RECORDING, RETURN TO:

Howard M. Feuerstein
Stoel Rives Boley Jones & Grey
900 SW Fifth Avenue, Suite 2300
Portland, Oregon 97204

DECLARATION SUBMITTING
CORBANC CONDOMINIUM
TO CONDOMINIUM OWNERSHIP

BALSA PROPERTIES, INC., an Oregon corporation,

DECLARANT

PDX1-122673.1 2369 0001

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1 of 56

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DECLARATION SUBMITTING
CORBANC CONDOMINIUM
TO CONDOMINIUM OWNERSHIP

THIS DECLARATION, pursuant to the provisions of the Oregon Condominium Act, is made and executed this 12th day of December, 1994, by Balsa Properties, Inc., an Oregon corporation ("Declarant").

Declarant proposes to create a condominium to be known as Corbanc Condominium, which will be located in the City of Portland, Multnomah County, Oregon. The purpose of this Declaration is to submit Corbanc Condominium 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:

ARTICLE 1.

DEFINITIONS

When used in this Declaration the following terms shall have the following meanings:

1.1 "Association" means the association of unit owners established pursuant to Article 14 below.

1.2 "Bylaws" means the Bylaws of the Association of Unit Owners of Corbanc Condominium adopted pursuant to Section 14.4 below as the same may be amended from time to time.

1.3 "Condominium" means all of that property submitted to the condominium form of ownership by this Declaration.

1.4 "Declarant" means Balsa Properties, Inc., an Oregon corporation, and its successors and assigns.

1.5 "Declaration" means this Declaration as the same may hereafter be amended.

1.6 "Eligible Mortgage Insurer or Guarantor" means an insurer or governmental guarantor of a first mortgage on a unit who has requested notice of certain matters from the Association in accordance with Section 13.1 below.

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1.7 "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 13.1 below, but shall not include a contract vendor.

1.8 "Mortgage" and "Mortgagee" mean, respectively, a recorded mortgage, trust deed or contract of sale which creates a lien against a unit, and the holder, beneficiary or vendor of such a mortgage, trust deed or contract of sale.

1.9 "Plat" means the plat of Corbanc Condominium recorded simultaneously with the recording of this Declaration.

1.10 "Incorporation by Reference." Except as otherwise provided in this Declaration, each of the terms defined in ORS 100.005, a part of the Oregon Condominium Act, shall have the meanings set forth in such section.

ARTICLE 2.

SUBMISSION OF PROPERTY TO CONDOMINIUM STATUTE

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

ARTICLE 3.

NAME OF CONDOMINIUM

The name by which the Condominium shall be known is "Corbanc Condominium."

ARTICLE 4.

UNITS

4.1 "General Description of Buildings." The Condominium contains one building of dwelling units. Such building contains three stories, with basement garage. The building is of wood frame construction with LP lap siding and built up and composition shingle roof.

4.2 "General Description, Location and Designation of Units." The Condominium consists of a total of fifty-one (51) units. The dimensions, designation and location of each unit are shown in the Plat, which is made a part of this

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Declaration as if fully set forth herein. The approximate area of each unit is shown on the attached Exhibit B.

4.3 Boundaries of Units. Each unit shall be bounded by the interior surfaces of its perimeter and bearing walls, floors, ceilings, windows and window frames, doors and door frames, and trim. The unit shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of its finished surfaces and the exterior surfaces so described. All other portions of the walls, floors or ceilings shall be a part of the common elements. In addition, each unit shall include the following: (a) all spaces, nonbearing interior partitions, windows, window frames, exterior doors, door frames and all other fixtures and improvements within the boundaries of the unit; (b) all outlets of utility and communications service lines, including but not limited to power, light, gas, hot and cold water, heating, refrigeration, air conditioning and waste disposal, security, cable television and telephone, within the boundaries of the unit, but shall not include any part of such lines or ducts themselves; and (c) all heating and air conditioning fixtures and pumps in or connected with the unit.

ARTICLE 5.

GENERAL COMMON ELEMENTS

The general common elements consist of the following:

5.1 The land, pathways, driveways, fences, grounds, electrical rooms, water heater room, elevator maintenance room, storage rooms, garage and parking areas, except parking spaces within the garage and certain other parking spaces as shown on the Plat, which are designated as limited common elements by Article 6 below.

5.2 Pipes, ducts, flues, chutes, conduits, wires and other utility and communications installations to their outlets, exclusive of heating and air conditioning fixtures and pumps in or connect to a unit.

5.3 Roofs, foundations, bearing walls, perimeter walls, beams, columns and girders to the interior surfaces thereof.

5.4 Stairways, landings, hallways, elevator, lobbies, entrances and exits which are not part of a unit.

5.5 All other elements of the buildings and the Condominium necessary or convenient to their existence, maintenance and safety, or normally in common use, except as may be expressly designated in this Declaration as part of a unit or a limited common element.

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ARTICLE 6.

LIMITED COMMON ELEMENTS

The following shall constitute limited common elements, the use of which shall be restricted to the units to which they pertain:

6.1 All decks, each of which shall pertain to the unit which it adjoins as shown on the Plat.

6.2 Parking spaces within the garage and the numbered, open parking spaces as shown on the Plat, each of which shall pertain to the unit indicated in the attached Exhibit C; provided, however, that any such parking space may be transferred so as to pertain to a different unit by an amendment to this Declaration executed by the owner and any mortgagee of the unit to which the parking space previously pertained and by the owner of the unit to which the space is being transferred. Such transfer shall be effective upon the recording of such amendment in the Deed Records of Multnomah County, Oregon. No transfer, however, shall be such as to leave any unit without at least one parking space assigned to it as a limited common element.

ARTICLE 7.

ALLOCATION OF UNDIVIDED INTERESTS IN COMMON ELEMENTS

Each unit will be entitled to an undivided ownership interest in the common elements determined by the ratio by which the approximate area of the particular unit bears to the total approximate area of all units combined, as shown on the attached Exhibit B. Each unit's interest in the common elements shall be inseparable from the unit and any conveyance, encumbrance, judicial sale, or other transfer, voluntary or involuntary, of an undivided interest in the common elements shall be void unless the unit to which that interest is allocated is also transferred.

ARTICLE 8.

COMMON PROFITS AND EXPENSES; VOTING

8.1 Allocation of Common Profits and Expenses. The common profits and common expenses of the Condominium shall be allocated to the owner of each unit according to the allocation of undivided interest of such unit in the common elements. Except upon termination of the Condominium or as otherwise provided in the Bylaws with respect to damage, destruction or condemnation, any such common profits shall be used solely for the purpose of maintaining, repairing and replacing the common elements or for other expenses or reserves of the Association.

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8.2 Allocation of Voting Rights. Each unit owner shall be entitled to one vote in the affairs of the Association and for the purposes of this Declaration for each unit owned by him. The method of voting shall be as specified in the Bylaws.

ARTICLE 9.

SERVICE OF PROCESS

The designated agent to receive service of process in cases provided in subsection (1) of ORS 100.550 is named in the Condominium Information Report which has been filed in accordance with ORS 100.250(1)(a).

ARTICLE 10.

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 such documents.

ARTICLE 11.

MAINTENANCE OF COMMON ELEMENTS

11.1 Responsibility for Maintenance. The necessary work to maintain, repair or replace the common elements shall be the responsibility of the board of directors of the Association and shall be carried out as provided in the Bylaws.

11.2 Mortgagee's Rights upon Failure to Maintain. If the mortgagee of any unit determines that the board of directors 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 same to the registered agent, setting forth the particular defect which it believes exists in the maintenance, repair and replacement program. If the specified defects 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 holds a mortgage on all business coming before such meeting. Such proxy rights shall continue until the defects listed on the notice are corrected.

11.3 Rights of City Upon Failure to Maintain. The provisions of this Declaration and of the Bylaws regarding the maintenance, repair and replacement of the common elements shall be deemed to be for the benefit of the City of Portland, as well as the unit owners, and the City may enforce such provisions by appropriate

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proceedings at law or in equity. Without limitation to the foregoing, the City may deliver a written notice to the board of directors by delivering the same to the registered agent, setting forth the particular defect which it believes exists in the maintenance, repair and replacement program. If the specified defects are not corrected within 30 days after receipt of the notice, or, if such correction cannot reasonably be completed within such time, the Association fails within such time to commence and pursue the correction with reasonable diligence, then the City may take necessary curative action. In such event, the cost of correction by the City shall constitute a lien against each unit and its interest in the common elements based upon such unit's share of the common expenses as provided in this Declaration.

ARTICLE 12.

EASEMENTS

12.1 **In General.** Each unit has an easement in and through each other unit and the common elements for all support elements and utility, wiring, heat, and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the Condominium. In addition, each unit and all the common elements are specifically subject to easements as required for the electrical wiring and plumbing for each unit. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for common elements reserved by law. Each unit owner has an unrestricted right of ingress and egress to his or her unit. This right is perpetual and passes with the ownership of the unit.

12.2 **Encroachments.** Each unit and all common elements shall have an easement over all adjoining units and common elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection as long as the physical boundaries of the units are in substantial accord with the description of those boundaries that appears in 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. This provision does not relieve a unit owner of liability in the case of willful misconduct of the unit owner, or relieve Declarant or any contractor, subcontractor or materialman from any liability as a result of failure to adhere to the Plat. The encroachments described in this Section 12.2 shall not be construed to be encumbrances affecting the marketability of title to any unit.

12.3 **Granting of Easements by Association.** The Association, upon prior approval of 75 percent of the voting power of the unit owners, may execute, acknowledge, deliver and record on behalf of the unit owners leases in excess of two years, easements, rights-of-way, licenses, and similar interests affecting the common elements and consent to vacation of roadways within and adjacent to the

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Condominium. Any such instrument shall be executed by the chairman and secretary of the Association. 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 join in the instrument granting the interest.

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

12.5 Easements for Declarant. Declarant and Declarant's agents, successors and assigns shall have an easement over and upon the common elements as may be reasonably necessary for the purpose of completing or making repairs to existing structures, for the purpose of carrying out sales and rental activities necessary or convenient for the sale or rental of units, including, without limitation, the right to use the units owned by Declarant as model units and the right to use a unit as a sales office, and for the purpose of discharging any other obligation of Declarant or exercising any other special Declarant right, whether arising under the Oregon Condominium Act or reserved in this Declaration or the Bylaws.

ARTICLE 13.

APPROVAL BY MORTGAGEES

13.1 Notice of Action. 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 of eligible mortgage holders as required by this article.

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13.2 Termination and Amendment to Documents.

(a) The approval of eligible holders holding mortgages on units which have at least 67 percent of the voting rights of units subject to eligible holder mortgages shall be required to terminate the legal status of the project as a condominium for reasons other than substantial destruction or condemnation of the property.

(b) Except when a greater percent is required by the Declaration or Bylaws, or a greater or lesser percent is required by the Oregon Condominium Act, the consent of the owners of units holding at least 67 percent of the voting rights and the approval of eligible holders holding mortgages on units which have at least 51 percent of the voting rights of the units subject to eligible holder mortgages 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 shall constitute a material change:

- (1) Voting rights;
- (2) Increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens or subordination of such liens;
- (3) Reduction in reserves for maintenance, repair and replacement of the common elements;
- (4) Responsibility for maintenance and repairs;
- (5) Reallocation of interests in the general or limited common elements, or rights to their use, except as otherwise provided in Section 6.2;
- (6) The boundaries of any unit;
- (7) Convertibility of units into common elements or of common elements into units;
- (8) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium, except as provided in Article 15;
- (9) Hazard or fidelity insurance requirements;
- (10) Imposition of any restrictions on the leasing of units;
- (11) Imposition of any restriction on the right of a unit owner to sell or transfer his or her unit;

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(12) A decision by the Association to establish self-management when professional management had been required previously by this Declaration, the Bylaws or an eligible mortgage holder;

(13) Restoration or repair of the Condominium (after damage or partial condemnation) in a manner other than specified in this Declaration or the Bylaws;

(14) Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs; or

(15) 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 Section 13.2.(b) if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who receives a written request to approve any termination, additions or amendments and who does not deliver or post to the requesting party a negative response within 30 days shall after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, return receipt requested, be deemed to have approved such request.

13.3 **Additional Approvals.** In addition to any other approvals required by the Oregon Condominium 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) 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 of each unit 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,

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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.

13.4 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 60 days.

ARTICLE 14.

ASSOCIATION OF UNIT OWNERS

14.1 Organization. Upon the recording of this Declaration an association of unit owners shall be organized to serve as a means through which the unit owners may take action with regard to the administration, management and operation of the Condominium. The name of this association shall be "Association of Unit Owners of Corbanc Condominium," and the Association shall be an Oregon nonprofit corporation.

14.2 Membership; Board of Directors. Each unit owner shall be a member of the Association. The affairs of the Association shall be governed by a board of directors as provided in the Bylaws.

14.3 Powers and Duties. 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 afforded it by this Declaration or the Bylaws.

14.4 Adoption of Bylaws, Declarant Control of Association. Upon the execution and the recording of this Declaration, Declarant shall adopt Bylaws for the Association, which Bylaws are attached as Exhibit D. At the same time, Declarant will appoint an interim board of directors of the Association, which directors shall serve until their successors have been elected as provided in Section 3.4 of the Bylaws. In addition, Declarant shall have the right to consent to any amendment to the Declaration or the Bylaws as provided in Section 16.2 below and Section 9.2 of the Bylaws.

ARTICLE 15.

RELOCATION OF BOUNDARIES

15.1 The boundaries between adjoining units, including any intervening common elements, may be relocated or eliminated by an amendment to this Declaration. The owners of the affected units shall submit to the board of directors of the Association a proposed amendment which shall identify the units involved,

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state any reallocations of common element interest, voting rights, common expense liability and right to common profits and contain words of conveyance. The board of directors shall approve the amendment unless it determines within 45 days that the reallocations are unreasonable or the relocation or elimination will impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium.

15.2 The board of directors of the Association may require the owners of the affected units to submit an opinion of a registered architect or registered professional engineer that the proposed relocation or elimination will not impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium. The board of directors of the Association or any agent appointed by the board of directors may supervise the work necessary to effect the boundary relocation or elimination. Any expenses incurred under this section shall be charged to the owners of the units requesting the boundary relocation or elimination.

15.3 The amendment shall be executed by the owners and mortgagees of the affected units, certified by the chairman and secretary of the Association, approved as required by law and recorded in the appropriate records of Multnomah County, Oregon. In addition, plat and floor plans necessary to show the altered boundaries between the adjoining units shall be recorded as required by law.

ARTICLE 16.

AMENDMENT

16.1 How Proposed. Amendments to the Declaration shall be proposed by either a majority of the board of directors or by unit owners holding thirty percent (30%) or more of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment.

16.2 Approval Required. Except as may otherwise be provided in this Declaration or by the Oregon Condominium Act, this Declaration may be amended if such amendment is approved by unit owners holding 75 percent of the voting rights of the Condominium and by mortgagees to the extent required by Article 16. Declarant's prior written consent shall also be required so long as Declarant owns 25 percent or more of the units in the Condominium, but no such consent shall be required after three years from the date of conveyance of the first unit to a person other than Declarant. No amendment may change the size, location, allocation of undivided interest in the common elements, method of determining liability for common expenses, right to common profits, or voting rights of any unit unless such amendment has been approved by the owners and mortgagees of the affected unit. Any amendment which would limit or diminish any special Declarant rights established in the Declaration shall require the written consent of Declarant.

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16.3 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 to by the chairman and 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 Oregon Condominium Act.

ARTICLE 17.

SEVERABILITY

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

ARTICLE 18.

APPLICABILITY

Each unit owner, including Declarant as to any unsold unit, shall be subject to all of the rights and duties assigned to unit owners under the terms of the Declaration and Bylaws.

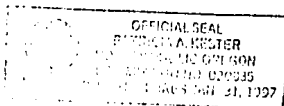
IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 12th day of December, 1994

BALSA PROPERTIES, INC., an
Oregon corporation

By Robert Eskandarian
Robert Eskandarian, Vice President

STATE OF OREGON)
) ss.
County of Multnomah

The foregoing instrument was acknowledged before me this 12th day of December, 1994 by Robert Eskandarian, Vice President of Balsa Properties, Inc., an Oregon corporation, on behalf of the corporation.



Patricia G. Keston
Notary Public for Oregon
My commission expires: 11/31/97

May 15, 1995

MORTGAGEE'S CONSENT

BANK AUDI CALIFORNIA is the owner and holder of a mortgage on the property being submitted to the Oregon Condominium Act hereunder and consents to the making of the foregoing Declaration.

BANK AUDI CORPORATION, a
California corporation

By [Signature]
Ronald Henoud
Its Vice President

BANK AUDI CORPORATION, a
California corporation

By [Signature]
Houra R. Arevyaz
Its Credit Officer

STATE OF California)
County of Los Angeles) ss.

On this 23 day of January, 1995 personally appeared before me Ronald Henoud and Houra Arevyaz who, being duly sworn, did say that they are is the v.p. and credit officer of BANK AUDI CORPORATION, and that said instrument was signed in behalf of said corporation by authority of its board of directors; and they acknowledged said instrument to be its voluntary act and deed.



[Signature]
Notary Public for _____
My commission expires: 2-11-96

The foregoing Declaration is approved this _____ day of _____, 19____.

ASSESSOR AND TAX COLLECTOR
FOR MULTNOMAH COUNTY

By _____

May 15, 1995

19 95. The foregoing Declaration is approved this 15TH day of MAY.

ASSESSOR AND TAX COLLECTOR
FOR MULTNOMAH COUNTY

By [Signature] DEPUTY

The foregoing Declaration and Bylaws attached hereto are approved
this 11th day of May, 1995.

GENE OSBORN, Acting Real Estate
Commissioner

By [Signature]

May 15, 1995

EXHIBIT A

Corbanc Condominium

A tract of land situated in the Southwest 1/4 of Section 10, township 1 South, Range 1 East, Willamette Meridian, in the City of Portland, Multnomah County, Oregon, and being more particularly described as follows:

Beginning at a point at the northeast corner of that tract of land described in a trust deed as Parcel 1 and recorded August 22, 1989 in Deed Book 2230 at page 443, Multnomah County Record, said point being the initial point of this plat and bears East 186.00 feet from a found 3/4-inch iron pipe, 1.00 foot below the ground at the Northwest corner of Lot 4 of Block 2 of "Portland Homestead" as recorded in Plat Book 2 at page 22, Multnomah County Record; thence along a line that is parallel with and 16.00 feet east of the east line of said Lot 4, South 290.03 feet to a point that is 60.00 feet south of the north line of Lot 2 of said Block 2, which bears North 27°17'02" West 0.22 feet; thence west 16.00 feet to a found 5/8-inch iron rod (no marking cap found) located on the east line of Lot 3 of said Block 2, thence along the east line of said Lot 3 North 15.03 feet which bears South 29°16'24" East 0.40 feet; thence west 170.00 feet to the west line of said Lot 3; thence along the west line of said Lot 3 and Lot 4 north 275.00 feet to the northwest corner of said Lot 4 and a 3/4-inch iron pipe, 1.00 foot deep, thence along the north line of said Lot 4 and its easterly extension east 186.00 feet to the initial point and point of beginning.

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EXHIBIT B
CORBANC CONDOMINIUM

Unit No.	Approximate Square Footage	Percentage Interest
101	616	1.0842%
102	1,126	1.9818%
103	1,093	1.9239%
104	1,126	1.9818%
105	1,126	1.9818%
106	1,126	1.9818%
107	1,247	2.1948%
108	1,161	2.0434%
109	1,126	1.9818%
110	1,093	1.9239%
111	1,126	1.9818%
112	1,126	1.9818%
113	1,126	1.9818%
114	1,123	1.9766%
115	1,123	1.9766%
116	1,207	2.1244%
117	1,161	2.0434%
201	616	1.0842%
202	1,286	2.2634%
203	1,093	1.9239%
204	1,126	1.9818%
205	1,126	1.9818%
206	1,126	1.9818%
207	1,247	2.1948%
208	1,161	2.0434%
209	1,126	1.9818%
210	1,093	1.9239%
211	1,126	1.9818%
212	1,126	1.9818%
213	1,126	1.9818%
214	1,123	1.9766%
215	1,123	1.9766%
216	1,207	2.1244%
217	1,161	2.0434%
301	616	1.0842%
302	1,286	2.2634%
303	1,093	1.9239%
304	1,126	1.9818%
305	1,126	1.9818%
306	1,126	1.9818%
307	1,247	2.1948%

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308	1,161	2.0434%
309	1,126	1.9818%
310	1,093	1.9239%
311	1,126	1.9818%
312	1,126	1.9818%
313	1,126	1.9818%
314	1,123	1.9766%
315	1,123	1.9766%
316	1,207	2.1244%
317	1,161	2.0434%
	56,816	100.0000%

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EXHIBIT C

Parking Space Assignments

Corbanc Condominium

<u>Unit</u>	<u>Parking Spaces</u>
101	71
102	12-91
103	09-88
104	03-97
105	20-92
106	08-96
107	15-98
108	16-99
109	56-93
110	46-79
111	45-90
112	44-81
113	47-95
114	43-80
115	41-94
116	24-60
117	23-55
201	42
202	35-83
203	36-84
204	10-86
205	11-82
206	06-89
207	17-62
208	27-52
209	07-87
210	34-75
211	39-85
212	33-77
213	38-70
214	32-78
215	40-64
216	22-59
217	21-48
301	61
302	02-14

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Unit

Parking Spaces

303	05-76
304	04-65
305	01-63
306	13-37
307	26-53
308	25-54
309	31-74
310	30-66
311	29-67
312	28-68
313	49-73
314	50-72
315	51-69
316	19-57
317	18-58

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EXHIBIT D

BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF
CORBANC CONDOMINIUM

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BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF
CORBANC CONDOMINIUM

ARTICLE 1.

PLAN OF CONDOMINIUM OWNERSHIP

1.1 Name and Location. These are the bylaws of the ASSOCIATION OF UNIT OWNERS OF CORBANC CONDOMINIUM (the "Association"). Corbanc Condominium (the "condominium") is located in the City of Portland, Multnomah County, Oregon, and has been submitted to the Oregon Condominium Act by a declaration recorded simultaneously with these bylaws ("the Declaration"). The location of the condominium is more specifically described in the Declaration.

1.2 Principal Office. The principal office of the Association shall be located at 17615 SW 65th Avenue, Lake Oswego, Oregon 97035, or such other address as may be designated by the board of directors from time to time.

1.3 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.

1.4 Applicability of Bylaws. The Association, all unit owners, and all persons using the condominium property shall be subject to these bylaws and to all rules and regulations which may be adopted pursuant to these bylaws.

1.5 Composition of Association. The Association shall be composed of all the unit owners of the condominium, including Balsa Properties, Inc., an Oregon corporation, and its successors and assigns ("the Declarant"), and the Association, itself, to the extent any of these own any unit or units of the condominium.

1.6 Incorporation. The Association shall be incorporated under the Oregon Non-Profit Corporation Law. The Articles of Incorporation of the Association shall be consistent with the Declaration and these bylaws, and these bylaws shall constitute the bylaws of the incorporated association.

1.7 Definitions. The definitions contained in or adopted by the Declaration shall be applicable to these bylaws.

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ARTICLE 2.

MEETINGS OF ASSOCIATION

2.1 Place of Meetings. The Association shall hold meetings at such suitable place convenient to the unit owners as may be designated by the board of directors from time to time.

2.2 Organizational and Turnover Meeting. Within three years after the date of conveyance of the first unit to a person other than the Declarant, or within ninety (90) days after Declarant has sold and conveyed seventy-five percent (75%) or more of the units in the condominium, whichever is earlier, the Declarant shall call the first meeting of the unit owners to organize the Association and to elect directors. Notice of such meeting shall be given to all owners as provided in Section 2.5. If Declarant fails to call the meeting, the meeting may be called and notice given by any unit owner or mortgagee of a unit. The expense of giving notice shall be paid or reimbursed by the Association. At the meeting, Declarant shall deliver to the Association such information and documents as may be required by the Oregon Condominium Act. Nothing in this section shall be construed as preventing the Declarant from calling the organizational and turnover meeting prior to such date, or from calling informal, informational meetings of the unit owners.

2.3 Annual Meetings. The annual meetings of the Association shall be held in the month of January or February at such hour and on such date as the chairman may designate, or if the chairman should fail to designate such date by the first day of February, then on the last Tuesday in February. The annual meetings shall be for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

2.4 Special Meetings. Special meetings of the Association may be called by the chairman or secretary or by a majority of the board of directors, and must be called by such officers upon receipt of a written request from at least thirty percent (30%) of the unit owners stating the purpose of the meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

2.5 Notice of Meetings. Notice of all meetings of the Association stating the time and place and the objects for which the meeting is being called shall be given by the chairman or secretary. Such notice shall be in writing and mailed to each unit owner at his address as it appears on the books of the Association and to any first mortgagee requesting such notice not less than ten (10) days nor more than fifty (50) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived by any unit owner before or after meetings. When a meeting is adjourned for less than 30 days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

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2.6 Voting. Each unit owner shall have one vote for each unit of the condominium owned by such unit owner. The Declarant shall be entitled to vote as the unit owner of any then existing units retained by the Declarant, and the board of directors shall be entitled to vote on behalf of any unit which has been acquired by or on behalf of the Association; provided, however, that the board of directors shall not be entitled to vote such units in any election of directors.

2.7 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 by such owner, and shall be filed with the secretary, at any time prior to the meeting. The presence of an owner at a meeting shall automatically revoke such owner's proxy for all matters which come before the meeting while the owner is present. 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 such owner's 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 under these bylaws and to exercise the unit owner's voting rights from and after the time that the mortgagee shall give written notice of such pledge or assignment to the board of directors. Any first mortgagee may designate a representative to attend all or any meetings of the Association.

2.8 Fiduciaries and Joint Owners. An executor, administrator, guardian or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any unit owned or held in such capacity, whether or not the same shall have been transferred to his or her name; provided, that such person shall satisfy the secretary that he or she is the executor, administrator, guardian or trustee, holding such unit in such capacity. Whenever any unit is owned by two or more persons jointly, according to the records of the Association, the vote or proxy of such unit may be exercised by any one of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of such unit shall be disregarded completely in determining the proportion of votes given with respect to such matter.

2.9 Landlords and Contract Vendors. Unless otherwise expressly stated in the rental agreement or lease, all voting rights allocated to a unit shall be exercised by the landlord if the rental agreement or lease has an original term of ten (10) years or less, or by the tenant if the rental agreement or lease has an original term of more than ten (10) years. Unless otherwise stated in the contract, all voting rights allocated to a unit shall be exercised by the vendee of any recorded land sale contract on the unit.

2.10 Quorum of Unit Owners. At any meeting of the Association, members holding fifty percent (50%) of the voting rights, present in person or by proxy, shall constitute a quorum. The subsequent joinder of a unit owner in the action taken at a meeting by signing and concurring in the minutes of the meeting shall constitute

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the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a unit owner or owners. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.11 Majority Vote. The vote of the holders of more than fifty percent (50%) of the voting rights, present in person or by proxy at a meeting at which a quorum is constituted, shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, by the Declaration or by these bylaws.

2.12 Order of Business. The order of business at annual meetings of the Association shall be:

- (a) Calling of the roll and certifying of proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees, if any;
- (f) Election of directors;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

2.13 Ballot Meetings. At the discretion of the board of directors, any matter which might come before the Association at a meeting, including election of directors, may be determined by proxy ballot, rather than at a formal gathering. Ballots shall be sent to all unit owners in the same manner as notice of meetings, with a specified deadline for return of ballots. Ballots for such meetings must be properly executed and returned in sufficient quantity to constitute a quorum, and determination of the matter presented shall be based upon the required percentage of ballots returned, unless approval of a specified percentage of all voting rights is required by law, the Declaration or these bylaws. The vote of a ballot meeting shall be determined by the board of directors within 48 hours of the deadline for return of ballots. Within 10 days after the ballots have been counted, each unit owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned.

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ARTICLE 3.

BOARD OF DIRECTORS

3.1 Number and Qualification. The affairs of the Association shall be governed by a board of directors composed of three (3) to five (5) persons, as provided in Sections 3.2 and 3.4 of this Article. All directors, other than interim directors appointed by Declarant, shall be owners or co-owners of units of the condominium. For purposes of this section, the officers of any corporate owner and the partners of any partnership shall be considered co-owners of any units owned by such corporation or partnership.

3.2 Interim Directors. Upon the recording of the Declaration submitting the condominium to the Oregon Condominium Act the Declarant shall appoint an interim board of three (3) directors, who shall serve until replaced by Declarant or their successors have been elected by the unit owners as provided below.

3.3 Transitional Committee. Unless the organizational and turnover meeting described in Section 2.2 above has already been held, Declarant shall call a meeting of the unit owners for the purpose of forming a transitional committee. The meeting shall be called within sixty (60) days of conveyance to persons other than Declarant of fifty percent (50%) of the units. Declarant shall give notice of the meeting as provided in Section 2.5 above. The committee shall consist of two or more members elected by the unit owners other than Declarant and not more than one representative of Declarant. The members shall serve until the organizational and turnover meeting. The transitional committee shall be advisory only and its purpose shall be to enable ease of transition from control of the administration of the Association by the Declarant to control by the unit owners. The committee shall have access to the information, documents and records which Declarant must turn over to the unit owners at the time of the organizational and turnover meeting. If Declarant fails to call the meeting to elect a transitional committee within the time specified, the meeting may be called and notice given by any unit owner.

3.4 Election and Term of Office. At the first organizational and turnover meeting called by Declarant pursuant to Section 2.2 of these bylaws, the interim directors shall resign and five (5) successors shall be elected, two (2) to serve until the next annual meeting and three (3) to serve until the second annual meeting after their election. Thereafter, at the expiration of the initial term of office of each respective director, his or her successor shall be elected to serve for a term of two years, so that the term of not less than one-third of the directors shall expire annually. Directors shall hold office until their respective successors have been elected by the unit owners. Election shall be by plurality.

3.5 Vacancies. Vacancies in the board of directors caused by any reason other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, or by a sole remaining director. Each person so elected shall be a

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director until a successor is elected to fill the unexpired term at the next annual meeting of the Association or the next special meeting of the Association called for that purpose. Vacancies in interim directors shall be filled by Declarant.

3.6 Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors, other than interim directors, may be removed with or without cause by a majority vote of the unit owners present in person or by proxy, and a successor shall be elected at that meeting to fill the vacancy thus created. The notice of any such meeting shall state that such removal is to be considered, and any director whose removal has been proposed shall be given an opportunity to be heard at that meeting.

3.7 Powers and Duties. The board of directors shall have all of the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law or by the Declaration or by these bylaws may not be delegated to the board of directors by the unit owners. The powers and duties to be exercised by the board of directors shall include, but shall not be limited to the following:

- (a) Operation, care, upkeep, maintenance, repair and replacement of the general and limited common elements.
- (b) Determination of the amounts required for operation, maintenance and other affairs of the Association, and the making of such expenditures.
- (c) Adoption of a budget for the Association, and assessment and collection of the common expenses.
- (d) Employment and dismissal of such personnel as necessary for the efficient maintenance, upkeep and repair of the common elements.
- (e) Employment of legal, accounting or other personnel for reasonable compensation to perform such services as may be required for the proper administration of the Association; provided, however, the board may not incur or commit the Association to incur legal fees in excess of \$2,500 for any specific matter unless the unit owners have enacted a resolution authorizing the incurring of such fees by a vote of seventy-five percent (75%) of the voting rights present in person or by proxy at a meeting at which a quorum is constituted. This limitation shall not be applicable to legal fees incurred in defending the Association and the board of directors from claims or litigation brought against them.
- (f) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
- (g) Preparing or causing to be prepared and filed any required income tax returns or forms for the Association.

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(h) Purchasing units of the condominium at foreclosure or other judicial sales in the name of the Association, or its designee, on behalf of all the unit owners as provided in these bylaws.

(i) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of directors), or otherwise dealing with units 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.

(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 unit owners have enacted a resolution authorizing the project by a vote of seventy-five percent (75%) of the voting rights present in person or by proxy at a meeting at which a quorum is constituted. This limitation shall not be applicable to maintenance, repairs or replacement undertaken pursuant to paragraph (a) above. The limitation set forth in this paragraph shall increase by \$1,000 on each fifth anniversary of the recording of the Declaration.

(l) Designating one or more committees which, to the extent provided in the resolution designating the committee, shall have the powers of the board of directors in the management of the affairs of the Association. At least one member of each committee shall be a member of the board of directors.

(m) Enforcement by legal means of the provisions of the Oregon Condominium Act, the Declaration, these bylaws and any rules and regulations adopted hereunder.

(n) The filing of an Annual Report and any amendment in accordance with ORS 100.250.

(o) Allocating use of the storage rooms.

3.8 Managing Agent or Manager. On behalf of the Association, the board of directors may employ or contract for a managing agent or a manager at a compensation to be established by the board of directors. Any such management agreement shall be terminable by the Association upon not more than 90 days' written notice thereof. The board of directors may delegate to the managing agent or manager such duties and powers as the board of directors may authorize. In the absence of such appointment, the board of directors shall act as manager; provided, however, that the board of directors may not terminate professional management and assume self-management unless the decision to do so is approved by at least fifty-one percent (51%) of the total voting power of the Association.

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3.9 Contracts Entered into by Declarant or Interim Board. Notwithstanding any other provision of these bylaws, any leases or contracts (including management contracts, service contracts and employment contracts) entered into by the Declarant or the interim board on behalf of the Association shall have a term not in excess of three years. In addition, any such lease or contract shall provide that it may be terminated without cause or penalty by the Association or board of directors upon not less than 30 days' notice to the other party given at any time after election of the permanent board at the organizational and turnover meeting described in Section 2.2 of these bylaws.

3.10 Organizational Meeting. Within fourteen (14) days following the annual meeting of the Association or following any meeting at which an election of directors has been held, the board of directors shall hold an organization meeting at such place and time as shall have been fixed by the directors at the meeting at which the election was held.

3.11 Regular and Special Meetings. Regular meetings of the board of directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Special meetings of the board of directors may be called by the chairman and must be called by the secretary at the written request of at least two directors. Notice of any special meeting shall be given to each director, personally or by mail, telephone or telegraph at least seven (7) days prior to the day named for such meeting, and shall state the time, place and purpose of such meeting.

3.12 Open Meetings. All meetings of the board of directors shall be open to unit owners. Such meetings may be conducted by telephonic communication, except that if a majority of the units are principal residences of the occupants, then: (a) for other than emergency meetings, notice of each board of directors' meeting shall be posted at a place or places on the property at least three (3) days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform the unit owners of such meeting; and (b) only emergency meetings of the board of directors may be conducted by telephonic communication.

3.13 Waiver of Notice. Any director may, at any time, waive notice of any meeting of the board of directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall constitute a waiver of notice by such director, except where the director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all of the directors are present at any meeting of the board, no notice to directors shall be required and any business may be transacted at such meeting.

3.14 Quorum of Board of Directors. At all meetings of the board of directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the board of directors. If at any meeting of

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the board of directors less than a quorum should be present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice to directors.

3.15 Compensation. No director shall receive any compensation from the Association for acting as such.

3.16 Liability and Indemnification of Directors, Officers, Manager or Managing Agent. A member of the board of directors or an officer of the Association shall not be liable to the Association or any member thereof for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, except for acts of gross negligence or intentional acts. In the event any member of the board of directors or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

3.17 Insurance. The board of directors shall obtain the insurance and fidelity bonds required in Article 8 of these bylaws. In addition, the board of directors, in its discretion, may obtain such other insurance as it deems necessary to protect the interests of the Association or unit owners. The board of directors shall conduct an annual insurance review which, if appropriate, shall include an appraisal of all improvements contained in the condominium.

ARTICLE 4.

OFFICERS

4.1 Designation. The principal officers of the Association shall be the chairman, the secretary and the treasurer, all of whom shall be elected by the board of directors. The directors may appoint a vice chairman, an assistant treasurer, an assistant secretary, and such other officers as in their judgment may be necessary. The chairman shall be a member of the board of directors, but the other officers need not be directors or unit owners.

4.2 Election of Officers. The officers of the Association shall be elected annually, by the board of directors at the organization meeting of each new board 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 of directors called for such purpose.

4.3 Removal of Officers. Upon the affirmative vote of a majority of the directors, any officer may be removed either with or without cause, and a successor may be elected at any regular meeting of the board of directors, or at any special meeting of the board of directors called for such purpose.

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4.4 Chairman. The chairman shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the board of directors. The chairman 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 the chairman may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

4.5 Secretary. The secretary shall keep the minutes of all proceedings of the board of directors and the minutes of all meetings of the Association. He or she shall attend to the giving and serving of all notices to the unit owners and directors and other notices required by law. The secretary shall keep the records of the Association, except for those of the treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the chairman. In addition, the secretary shall act as vice chairman, taking the place of the chairman and performing the chairman's duties whenever the chairman is absent or unable to act, unless the directors have appointed another vice chairman.

4.6 Treasurer. The treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of required financial statements. He or she shall be responsible for the deposit of all moneys and other valuable effects in such depositories as may from time to time be designated by the board of directors, and shall disburse funds of the Association upon properly authorized vouchers. The treasurer shall perform all other duties incident to the office of treasurer of an association and such other duties as may be assigned to him or her by the board of directors.

4.7 Execution of Instruments. All agreements, contracts, deeds, leases and other instruments of the Association, except checks, shall be executed by such person or persons as may be designated by general or special resolution of the board of directors and, in the absence of any general or special resolution applicable to any such instrument, then such instrument shall be signed by the chairman. All checks shall be signed by the treasurer, or in the absence or disability of the treasurer, by the chairman or any duly elected assistant treasurer.

4.8 Compensation of Officers. No officer who is a member of the board of directors shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the unit owners. The board of directors may fix any compensation to be paid to any officers who are not also directors.

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ARTICLE 5.

BUDGET, EXPENSES AND ASSESSMENTS

5.1 Budget. The board of directors shall from time to time, and at least annually, prepare a budget for the Association, estimate the common expenses expected to be incurred, less any previous overassessment, and assess the common expenses to each unit owner in the proportion set forth in the Declaration. The budget shall provide for an adequate reserve fund for maintenance, repairs and replacement of those common elements which must be replaced on a periodic basis.

5.2 Determination of Common Expenses. Common expenses shall include:

- (a) Expenses of administration.
- (b) Expenses of maintenance, repair or replacement of common elements or any other portions of the condominium required to be maintained by the Association pursuant to the Declaration or these bylaws.
- (c) Cost of insurance or bonds obtained in accordance with these bylaws.
- (d) A general operating reserve, including an amount sufficient to cover the deductible under the property damage insurance policy.
- (e) Reserve for replacements and deferred maintenance.
- (f) Any deficit in common expenses for any prior period.
- (g) Utilities, heating and air conditioning for the common elements and other utilities with a common meter or commonly billed, such as trash collection, water, sewer and hot water.
- (h) Any other items properly chargeable as an expense of the Association.

5.3 Assessment of Common Expenses.

(a) Obligation to pay. All unit owners shall be obligated to pay common expenses assessed to them by the board of directors on behalf of the Association pursuant to these bylaws and the Declaration. Assessments may not be waived due to limited or nonuse of the common elements, and no unit owner may offset amounts owing or claimed to be owing by the Association or Declarant to the unit owner against such unit owner's obligation to pay assessments. Subject to paragraph (c) below, Declarant shall be assessed as the unit owner of any unsold unit, but such assessments shall be prorated to the date of sale of the unit. The board of directors, on behalf of the Association

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shall assess the common expenses against the unit owners from time to time, and at least annually, and shall take prompt action to collect from a unit owner any common expense due which remains unpaid for more than thirty (30) days from the due date for its payment.

(b) Initial working capital fund. Declarant shall establish an initial working capital fund in an amount at least equal to two (2) months of estimated regular association assessments for each unit. At the time of closing of the initial sale of each unit, the purchaser shall make an initial contribution to the working capital of the Association equal to two months' regular association assessments for the unit. At the time of the organizational and turnover meeting, the Declarant shall pay such contribution for all unsold units, but may obtain reimbursement for such sums from the purchaser upon the sale of each such unit. Such initial contribution shall be in addition to the regular monthly common expense assessment and shall not be considered as an advance payment of regular assessments. The working capital fund shall be transferred to the Association for deposit to a segregated fund at the time of the organizational and turnover meeting. Declarant may not use the working capital fund to defray any of Declarant's expenses, reserve contributions, or construction costs or to make up any budget deficits while Declarant is in control of the Association.

(c) Commencement of regular operating expense assessments. Regular monthly assessments for common operating expenses shall commence within 60 days after closing of the first sale of a unit in the condominium.

(d) Commencement of assessment for replacement reserves. Regular monthly assessments for replacement reserves as described in Section 5.5 shall commence upon the closing of the sale of the first unit in the condominium, except that Declarant may elect to defer payment of such assessments to the Association for each unit owned by Declarant until the closing of the sale of such unit.

5.4 Special or Extraordinary Assessments.

(a) Special Assessments for Capital Improvements. In the case of any duly authorized capital improvement to the common elements, the board of directors may by resolution establish separate assessments for the same, which may be treated as capital contributions by the unit owners, and the proceeds of which shall be used only for the specific capital improvements described in the resolution. The Association shall not assess units owned by the Declarant for additional capital improvements to the condominium without the written consent of Declarant as long as Declarant owns more than three (3) units.

(b) Other Special or Extraordinary Assessments. In the event the board of directors determines that the assessments established upon

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adoption of the budget as provided in Section 5.1 above will be insufficient to pay the common expenses, or the board of directors determines that additional funds will be needed to meet unexpected or unbudgeted common expenses, the board may levy an additional special or extraordinary assessment. Such assessment shall be allocated to each unit in the same proportion set forth in the Declaration, and may be payable in installments over a specified period, in a lump sum, or in a lump sum with option to pay in installments with interest, as determined by the board of directors.

5.5 Replacement Reserves. The Declarant shall establish a reserve account for replacement of those common elements all or a part of which will normally require replacement in more than three and less than 30 years. Such reserve account shall be funded by assessments against the individual unit assessed for maintenance of the items for which the reserve account is being established, which sums shall be included in the regular monthly assessment for the unit, except as otherwise provided in Section 5.3(b). The amount assessed shall take into account the estimated remaining life of the items for which the reserve is created and the current replacement cost of such items. The reserve account shall be established in the name of the Association and shall be adjusted at regular intervals to recognize changes in current replacement costs over time. The reserve account shall be used only for replacement of common elements and shall be kept separate from assessments for maintenance and operating expenses. After the organizational and turnover meeting described in Section 2.2, however, the board of directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet other temporary expenses which will later be paid from special assessments or maintenance fees. Nothing in this section shall prohibit prudent investment of the reserve account. Following the second year after the organizational and turnover meeting, future assessments for the reserve account may be reduced, eliminated or increased by an affirmative vote of not less than 75 percent of all voting rights in the condominium. Assessments paid into the reserve account are the property of the Association and are not refundable to sellers of units. Sellers of the units, however, may treat their outstanding share of the reserve account as a separate item in any sales agreement. The provisions of this section shall be operable only to the extent and so long as required by the Oregon Condominium Act.

5.6 Default in Payment of Assessments. In the event of default by any unit owner in paying any assessments to the Association, including assessed common expenses and any other charge imposed or levied by the Association pursuant to the provisions of the Declaration, these bylaws or the Oregon Condominium Act, such unit owner shall be obligated to pay interest at the rate of twelve percent (12%) per annum on such assessment from the due date thereof, or at such greater rate as may be established by the board of directors from time to time, not to exceed the maximum lawful rate, if any. In addition, the defaulting unit owner shall pay a late charge for any assessment not paid within ten (10) days of its due date in the amount of five percent (5%) of the delinquent payment, or such other reasonable late charge as may be established by the board of directors from time to time, together with all

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expenses incurred by the Association in collecting such unpaid assessments, including attorneys' fees (whether or not suit is instituted, and at trial or any appeal or petition for review therefrom). If the assessment is not paid within thirty (30) days of its due date, the board of directors may declare any remaining installments of assessments for the balance of the fiscal year immediately due and payable. The board of directors shall have the right and duty to recover for the Association such assessments, together with such charges, interest and expense of the proceeding, including attorneys' fees, by an action brought against such unit owner or by foreclosure of the lien upon the unit granted by the Oregon Condominium Act. The board of directors shall notify the holder of any first mortgage upon a unit and any eligible mortgage insurer or guarantor thereof of any default not cured within sixty (60) days of the date of default.

5.7 Foreclosure of Liens for Unpaid Assessments. In any suit brought by the Association to foreclose a lien on a unit because of unpaid assessments, the unit owner shall be required to pay a reasonable rental for the use of the unit during the pendency of the suit, and the plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect such rental. The board of directors, acting on behalf of the Association, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey, or otherwise deal with the unit. A suit or action to recover a money judgment for unpaid assessments shall be maintainable without foreclosing the liens securing the same.

5.8 Statement of Assessments. The board of directors shall advise each unit owner in writing of the amount of assessments payable by such owner, and furnish copies of each budget on which such assessments are based to all unit owners and, if requested, to their mortgagees. The board of directors shall promptly provide any unit owner who makes a request in writing with a written statement of the owner's unpaid assessments.

5.9 Priority of Lien; First Mortgages. Any lien of the Association against a unit for assessments shall be subordinate to tax and assessment liens and any prior mortgage of record. Where the purchaser or mortgagee of a unit obtains title to the unit as a result of foreclosure of a first mortgage, such purchaser or mortgagee, its successors and assigns, shall not be liable for any of the assessments chargeable to such unit which became due prior to the acquisition of title to such unit by such purchaser or mortgagee. Such unpaid share of assessments shall be a common expense and reallocated on a pro rata basis for all units, including the mortgaged unit. The purchaser or mortgagee shall not be relieved of the obligation to pay further assessments. A deed in lieu of foreclosure accepted by the holder of a first mortgage shall extinguish a lien filed by the Association to secure unpaid assessments under the circumstances described in ORS 100.465.

5.10 Voluntary Conveyance. In a voluntary conveyance of a unit, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor of the unit up to the time of the grant or conveyance,

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without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, upon request of a prospective purchaser the board 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.

ARTICLE 6.

RECORDS AND AUDITS

6.1 General Records. The board of directors and the managing agent or manager, if any, shall 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. The board of directors shall maintain a Book of Resolutions containing the rules, regulations and policies adopted by the Association, board of directors and the manager. The board of directors shall maintain a list of owners entitled to vote at meetings of the Association and a list of all mortgagees of units.

6.2 Financial Records. The board of directors or its designee shall keep financial records sufficient for proper accounting purposes.

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

6.4 Payment of Vouchers. The treasurer shall pay all vouchers for all budgeted items and for any nonbudgeted items up to \$1,000 signed by the chairman, managing agent, manager or other person authorized by the board of directors. Any voucher for nonbudgeted items in excess of \$1,000 shall require the authorization of the chairman. Any checks written on reserve accounts must be signed by two members of the board of directors.

6.5 Reports and Audits. An annual audited financial statement consisting of a balance sheet and income and expense statement for the preceding fiscal year shall be rendered by the board of directors to all unit owners and to all mortgagees of units who have requested the same within 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 or review of the books and records pertaining to the Association and furnish copies thereof to the owners and such mortgagees. Upon written request, any holder, insurer or guarantor of a first mortgage shall be entitled to an audited

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financial statement for the immediately preceding fiscal year at the expense of the Association and shall be made available within 120 days after the end of such fiscal year.

6.6 Notice of Sale, Mortgage, Rental or Lease. Immediately upon the sale, mortgage, rental or lease of any unit, the unit owner shall promptly inform the secretary or manager of the name and address of said vendee, mortgagee, lessee, or tenant.

6.7 Availability of Records. During normal business hours or under other reasonable circumstances, the Association shall make available to unit owners, prospective purchasers and lenders, and to holders, insurers, or guarantors of any first mortgage, current copies of the Declaration, bylaws, other rules concerning the condominium, amendments or supplements to such documents, and the books, records, financial statements and current operating budget of the Association. Upon written request, the Association shall make such documents, information and records available to such persons for duplication during reasonable hours. The Association may charge a reasonable fee for furnishing copies of such documents, information or records.

ARTICLE 7.

MAINTENANCE AND USE OF CONDOMINIUM PROPERTY

7.1 Maintenance and Repair. Except as otherwise provided in Section 7.3 for damage or destruction caused by casualty:

(a) Units. All maintenance of and repairs to any unit shall be made by the owner of such unit, who shall keep the same in good order, condition and repair and shall do all redecorating, painting and staining which at any time may be necessary to maintain the good appearance and condition of his unit. In addition, each unit owner shall be responsible for the maintenance, repair, or replacement of windows and doors and any plumbing, heating or air conditioning fixtures and pumps, telephones, fans, lighting fixtures and lamps, fireplaces, refrigerators, dishwashers, ranges, or other appliances and accessories that may be in or connected with such owner's unit. The Association, however, may repair or replace, at the Association's expense, portions of units to the extent reasonably necessary for the preservation of the common elements in good condition and working order.

(b) Common elements. All maintenance, repairs and replacements to the general and limited common elements shall be made by the Association and shall be charged to all the unit owners as a common expense. Each unit owner, however, shall keep the limited common elements which pertain to such owner's unit in a neat, clean and sanitary condition.

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7.2 Additions, Alterations or Improvements.

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

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

(c) A unit owner shall make no repair or alteration or perform any other work on such owner's unit which would jeopardize the soundness or safety of the property, reduce its value, impair any easement or hereditament or increase the common expenses of the Association unless the consent of all the other unit owners affected is first obtained.

(d) A unit owner may not change the appearance of the common elements or the exterior appearance of a unit without permission of the board of directors.

7.3 Damage or Destruction by Casualty of Condominium Property. In the case of damage or destruction which affects a material portion of the project, timely written notice shall be given to the unit owners and their mortgagees and any eligible mortgage insurer or guarantor and the following provisions shall apply:

(a) In the event of damage or destruction by casualty of condominium property, the damage or destruction shall be repaired, reconstructed or rebuilt unless, within fourteen (14) days of such damage or destruction, the board of directors or more than ten percent (10%) of the unit owners shall have requested a special meeting of the Association. Such special meeting must be held within sixty (60) days of the date of damage or destruction. At the time of such meeting, unless unit owners holding ninety percent (90%) of the voting power, whether in person, by writing or by proxy, with the approval of mortgagees as required by the Declaration, vote not to repair, reconstruct or rebuild the damaged property, the damage or destruction shall be repaired, reconstructed or rebuilt. If the damage or destruction is not repaired, reconstructed or rebuilt, then the property shall be removed from

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condominium ownership in the manner provided in the Oregon Condominium Act.

(b) The Association shall be responsible for repairing, reconstructing or rebuilding all such damage or destruction to the common elements and, to the extent of the Association's insurance coverage and any deductible under such policies, all such damage or destruction to the units. Each unit owner shall be responsible for such repairing, reconstructing or rebuilding of his unit as is not so covered by the Association's insurance.

(c) If, due to the act or neglect of a unit owner, or of a member of such owner's family or household pet or of a guest or other authorized occupant or visitor of such unit owner, damage shall be caused to the common elements or to a unit owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a common expense, then such unit owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Association, to the extent not fully covered by the Association's insurance.

(d) In the event any portion of the insurance proceeds paid to the Association is not used to repair, reconstruct or rebuild the damaged or destroyed property, the Association shall distribute the proceeds among the unit owners and their mortgagees (as their interests may appear) in the same proportion as common expenses are shared, unless the property is removed from unit ownership. If the property is removed from unit ownership, the insurance proceeds, together with the proceeds from the sale of the property, shall be distributed to the unit owners and their mortgagees (as their interests may appear) in the manner described in the Oregon Condominium Act.

7.4 Condemnation. If any portion of the condominium is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, notice of the proceeding or proposed acquisition shall promptly be given to each unit owner and to each mortgagee and any eligible mortgage insurer or guarantor. The Association shall represent the unit owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of any portion of the common elements, and each unit owner appoints the Association to act as his attorney-in-fact for such purposes. All compensation, damages or other proceeds of the taking, other than any award for moving expenses of specific unit owners, shall be payable to the Association and allocated and distributed as provided in this Section 7.4.

(a) Complete Taking. If the entire condominium property is taken, or if unit owners holding ninety percent (90%) of the voting power agree that such substantial portion of the condominium has been taken as to make the project obsolete, then the property shall be deemed removed from unit ownership. In such event, any proceeds of the condemnation paid to the

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Association, together with any other proceeds upon sale of the remaining condominium property, shall be distributed among the unit owners and their mortgagees, as their interests may appear, in accordance with the provisions of the Oregon Condominium Act.

(b) Partial Taking. If less than the entire condominium property is taken and the property is not determined to be obsolete as provided in paragraph (a) above, then as soon as practicable the board of directors shall, reasonably and in good faith, allocate the award among the units in accordance with the reduction in the value of each unit and its interest in the common elements, compared to the total reduction in value of all units and their interest in the common elements. In the event any unit owner or mortgagee objects to the allocation determined by the board of directors, the matter shall be submitted to arbitration in accordance with the rules of the American Arbitration Association. The cost of such determination shall be paid out of the proceeds of the condemnation. Any portion of the award allocated to a unit owner under this paragraph shall be paid first to all mortgagees and holders of liens on the unit owner's interest in accordance with the existing priorities, and the balance to the unit owner. If any reconstruction or repair is undertaken as a result of the condemnation, the board of directors may retain and apply such portion of each unit owner's share of the award as is necessary to discharge the owner's liability for any special assessment arising from such reconstruction or repair.

7.5 Restrictions and Requirements Respecting Use of Condominium Property. The following restrictions and requirements are in addition to all other restrictions and requirements contained in the Declaration and these bylaws:

(a) Residential use. 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 of the Association or manager, 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 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 conferring with business or professional associates, clients or customers, in such owner's unit.

(b) Use of common elements. The common elements shall be used for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of the units. The use, operation and maintenance of the common elements shall not be obstructed, damaged or unreasonably interfered with by any unit owner.

(c) Offensive or unlawful activities. No noxious or offensive activities shall be carried on in any unit nor shall anything be done in or placed upon any unit which interferes with or jeopardizes the enjoyment of

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other units or the common elements or which is a source of annoyance to residents. Unit occupants shall exercise extreme care not to make noises which may disturb other unit occupants, including the use of musical instruments, radios, televisions and amplifiers. No unlawful use shall be made of the condominium nor any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(d) Animals. No animals or fowls shall be raised, kept or permitted within the condominium or any part thereof, except domestic dogs, cats, or other household pets kept within a unit. No such dogs, cats or pets shall be permitted to run at large nor shall be kept, bred or raised for commercial purposes or in unreasonable numbers, and permission from the Board of Directors shall be required for more than one such pet. Any inconvenience, damage or unpleasantness caused by such pets shall be the responsibility of the respective owners thereof, and owners shall be responsible for removal of wastes of their animals. All dogs shall be carried or kept on a leash while outside a unit. No pet shall be permitted to cause or create a nuisance or unreasonable disturbance or noise. A unit owner may be required to remove a pet upon receipt of the third notice in writing from the board of directors of violations of any rule, regulation or restriction governing pets within the condominium.

(e) Exterior lighting or noisemaking devices and antennas. Except with the consent of the board of directors of the Association or manager, no exterior lighting or noisemaking devices shall be installed or maintained on any unit and no antennas or transmitting towers shall be affixed to the general or limited common elements.

(f) Windows, decks, and outside walls. In order to preserve the attractive appearance of the condominium the board of directors of the Association or the manager may regulate the nature of items which may be placed in or on windows, decks, and the outside walls so as to be visible from other units, the common elements, or outside the condominium. Garments, rugs, laundry and other similar items may not be hung from windows, facades or decks.

(g) Trailers, campers and boats. No trailer, truck camper, motorcycle, boat or boat trailer, or other recreational vehicle shall be parked on any portion of the condominium unless they meet height and width requirements established by the Board of Directors.

(h) Leasing and rental of units. No unit owner may lease or rent less than his or her entire unit and no unit owner may rent such owner's unit for transient or hotel purposes, or for a period of less than seven days. All leases or rentals shall be by written lease agreement, which shall provide that the terms of the lease shall be subject in all respects to the provisions of the

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Declaration and these bylaws, and that any failure by the lessee or tenant to comply with the terms of such documents shall be a default under the lease. If the board of directors finds that a lessee or tenant has violated any provision of the Declaration, these bylaws or the rules and regulations, the board may require the unit owner to terminate such lease or rental agreement. Other than the foregoing, there is no restriction on the right of any unit owner to lease or rent such owner's unit.

(i) Signs. Unless written approval is first obtained from the board of directors, no sign of any kind shall be displayed to the public view on or from any unit or the common elements except signs used by the Declarant to advertise units for sale or lease.

(j) Trash. No part of any unit or any part of the common elements shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. No garbage, trash or other waste shall be kept or maintained on any part of the property except in sanitary containers in the designated areas.

(k) Insurance. 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 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.

(l) Water beds. If any water beds are placed in a unit, the unit owner shall carry insurance covering damage caused by the water bed and shall be responsible for all damages to any unit or the common elements which might be caused by the water bed.

(m) Association rules and regulations. In addition, the board of directors from time to time may adopt, modify, or revoke such rules and regulations governing the conduct of persons and the operation and use of the units and common elements as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the condominium property. Such action may be modified by vote of not less than seventy-five percent (75%) of the voting rights present, in person or by proxy, at any meeting, the notice of which shall have stated that such modification or revocation or rules and regulations will be under consideration. 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.

7.6 Abatement and Enjoining of Violations. The violation of any provision of the Declaration or these bylaws, of any rule or regulation adopted pursuant to these bylaws, or of any decision of the Association made pursuant to such documents,

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shall give the board of directors, acting on behalf of the Association, the right, in addition to any other rights set forth in these bylaws, to do any or all of the following after giving notice and an opportunity to be heard:

(a) to enter the unit in which or as to which such violation exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing, or condition that may exist contrary to the intent and meaning of such provisions, and the board of directors shall not thereby be deemed guilty of any manner of trespass, provided, however, that judicial proceedings shall be instituted before any items of construction may be altered or demolished; or

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

(c) to levy reasonable fines; or

(d) to terminate the right to receive utility services paid for out of assessments or the right of access to and use of recreational and service facilities of the Condominium until the correction of the violation has occurred.

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

ARTICLE 8.

INSURANCE

8.1 Types of Insurance. For the benefit of the Association and the unit owners, the board of directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance:

8.1.1 Property Damage Insurance.

(a) The Association shall maintain a policy or policies of insurance covering loss or damage from fire, with standard extended coverage and "all risk" endorsements, and such other coverages as the Association may deem desirable.

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(b) The amount of the coverage shall be for not less than one hundred percent (100%) of the current replacement cost of the units and common elements (exclusive of land, foundation, excavation and other items normally excluded from coverage), subject to a maximum deductible of the lesser of \$10,000 or one percent (1%) of the policy amount.

(c) The policy or policies shall include all fixtures and building service equipment to the extent that they are part of the common elements and all personal property and supplies belonging to the Association, together with all fixtures, improvements and alterations comprising a part of each unit and refrigerators, air conditioners, cooking ranges, dishwashers and clothes washers and dryers contained within units and owned by the unit owners.

(d) Such policy or policies shall name the Association as insured, and shall provide for loss payable in favor of the Association, as a trustee for each unit owner and each such unit owner's mortgagee, as their interests may appear. The policies shall contain the standard mortgage clause, or equivalent endorsement (without contribution) which is commonly accepted by institutional mortgage investors in Oregon.

8.1.2 Liability Insurance.

(a) The Association shall maintain comprehensive general liability insurance coverage insuring the Declarant, the Association, the board of directors, the unit owners and the managing agent, against liability to the public or to the owners of units and of common elements, and their invitees or tenants, incident to the operation, maintenance, ownership or use of the property, including legal liability arising out of lawsuits related to employment contracts of the Association. There may be excluded from such policy or policies coverage of a unit owner (other than as a member of the Association or board of directors) for liability arising out of acts or omission of such unit owner and liability incident to the ownership and/or use of the part of the property as to which such unit owner has the exclusive use or occupancy.

(b) Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) on a combined single limit basis.

(c) Such policy or policies shall be issued on a comprehensive liability basis and shall provide a cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured.

8.1.3 Workers' Compensation Insurance. The Association shall maintain workers' compensation insurance to the extent necessary to comply with any applicable laws.

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8.1.4 Fidelity Insurance.

(a) The Association shall maintain fidelity insurance for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association. In the event the Association has retained a management agent, such agent shall maintain fidelity insurance for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association.

(b) The total amount of fidelity insurance coverage required shall be based upon the best business judgment of the board of directors. In no event, however, may the aggregate amount of such insurance be less than the sum equal to three months' aggregate assessments on all units plus reserve funds.

(c) Such fidelity insurance shall name the Association as obligee and shall contain waivers by the issuers of the insurance of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The insurance shall provide that it may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days' prior written notice to the Association and each servicer on behalf of the Federal National Mortgage Association ("FNMA").

8.1.5 Directors' and Officers' Liability Insurance. The Association shall maintain a policy of directors' and officers' liability insurance with coverage in the amount of not less than One Million Dollars (\$1,000,000), subject to a reasonable deductible.

8.1.6 Insurance by Unit Owners. Each unit owner shall be responsible for obtaining, at such owner's own expense, insurance covering his or her property not insured under Section 8.1.1 above and against his or her liability not covered under Section 8.1.2 above, unless the Association agrees otherwise.

8.2 Other Insurance Requirements. Insurance obtained by the Association shall be governed by the following requirements:

(a) All policies shall be written with the State of Oregon or a company licensed to do business in the State of Oregon acceptable to FNMA which falls into a B or A general policyholder's rating and a Class III or better financial size category, as designated in Best's Key Rating Guide.

(b) Notwithstanding the provisions of 8.1 above, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement, or any successor to such trustee. Such

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insurance trustee shall have exclusive authority to negotiate losses under any property or liability insurance policy. Each unit owner appoints the Association, or any insurance trustee or substitute trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance including: the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purchase. The Association or insurance trustee shall receive, hold or otherwise properly dispose of any proceeds of insurance in trust for unit owners and their first mortgage holders, as their interests may appear.

(c) All property insurance policies shall contain a "Special Condominium Endorsement" or its equivalent providing for the following: recognition of any Insurance Trust Agreement, a waiver of the right of subrogation against unit owners individually, that the insurance is not prejudiced by any act or neglect of individual unit owners which is not in the control of such owners collectively, and that the policy is primary in the event the unit owner has other insurance covering the same loss.

(d) For purposes of this article, insurance policies are unacceptable where (i) under the terms of the insurance carrier's charter, bylaws or policy, contributions or assessments may be made against FNMA, the designee of FNMA, or the Association or unit owners, or (ii) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders or members, or (iii) policy includes any limiting clauses (other than insurance conditions) which could prevent FNMA or the owners from collecting insurance proceeds.

(e) All policies required by this article shall provide that they may not be cancelled or substantially modified without at least 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 insurance policy. Evidence of insurance shall be issued to each unit owner and mortgagee upon request.

(f) Each unit owner shall be required to notify the board of directors of all improvements made by the owner to his or her unit, the value of which is in excess of Five Hundred Dollars (\$500). Nothing in this paragraph shall permit an owner to make improvements without first obtaining the approval of the board of directors pursuant to Section 7.2.

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

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8.3 Optional Provisions. The board of directors shall make every effort to secure insurance policies that will provide for the following:

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

(b) If reasonably available, the insurance policies shall include Inflation Guard Endorsement, and Construction Code Endorsements (such as a Demolition Cost Endorsement, a Contingent Liability from Operation of Building Laws Endorsement, and an Increased Cost of Construction Endorsement).

(c) A Steam Boiler and Machinery Coverage Endorsement if the condominium has central heating or cooling, which coverage per accident shall at least equal the lesser of Two Million Dollars (\$2,000,000) or the insurable value of the building housing the boiler or machinery.

(d) Flood Insurance, if the condominium is in a Special Flood Hazard Area.

8.4 FNMA and GNMA Requirements. Notwithstanding any other provisions of this article, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity requirements for condominium projects established by FNMA and Government National Mortgage Association, so long as either is a mortgagee or owner of a unit within the condominium, except to the extent such coverage is not available or has been waived in writing by FNMA or Government National Mortgage Association. FNMA or FNMA's servicer, its successors and assigns, shall be named as a mortgagee in the Association's policies.

ARTICLE 9.

AMENDMENTS TO BYLAWS

9.1 How Proposed. Amendments to the bylaws shall be proposed by either a majority of the board of directors or by unit owners holding thirty percent (30%) of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment.

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9.2 Adoption. A resolution adopting a proposed amendment may be proposed by either the board of directors or by the unit owners and may be approved by the unit owners at a meeting called for this purpose or by ballot vote. Unit owners not present at the meeting considering such amendment may express their approval in writing or by proxy. Any resolution must be approved by unit owners holding a majority of the voting rights and by mortgagees to the extent required by the Declaration, except that any amendment relating to age restrictions, pet restrictions, limitations on the number of persons who may occupy units, or limitations on the rental or leasing of units must be approved by unit owners holding seventy-five percent (75%) of the voting rights. Declarant's consent shall also be required so long as Declarant owns twenty-five percent (25%) or more of the units in the condominium. Such consent shall not be required after three (3) years from the date of conveyance of the first unit to a person other than Declarant. Any amendment which would limit or diminish any special Declarant rights established in these bylaws shall require the written consent of Declarant.

9.3 Execution and Recording. An amendment shall not be effective until certified by the chairman and secretary of the Association as being adopted in accordance with these bylaws and the provisions of the Oregon Condominium Act and recorded as required by law. Any amendment adopted within five (5) years after the recording of the initial bylaws shall be approved by the Oregon Real Estate Commissioner to the extent required by the Oregon Condominium Act.

ARTICLE 10.

MISCELLANEOUS

10.1 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 designate from time to time. All notices to any unit owner shall be sent to such address as may have been designated by him from time to time, in writing, to the board of directors, or, if no address has been designated, then to the owner's unit.

10.2 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.

10.3 Action Without a Meeting. Any action which the Oregon Condominium Act, the Declaration or the bylaws require or permit the owners or directors to take at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the owners or directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the owners or directors, shall be filed in the records of minutes of the Association.

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10.4 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 in these bylaws, 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 are intended solely for convenience of reference and shall in no way limit any of the provisions of these bylaws.

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

DATED this 12th day of December, 1994.

BALSA PROPERTIES, INC., an Oregon corporation

By Robert Eskandarian
Robert Eskandarian, Vice President

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May 15, 1995

STATE OF OREGON }
Multnomah County }

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I, a Clerk for the Recorder of Conferences, do hereby certify that the within instrument of said Clerk was received, recorded and included in the record

95 MAY 15 AM 8:00

RECORDING SECTION
MULTNOMAH CO. OREGON

Vol / Page 95 56889

Witness my hand and seal of office at said

Recorder of Conferences

C. Swick
Clerk

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