

HAMILTON COURT CONDOMINIUMS

A REPLAT OF PARCEL 2,
PARTITION PLAT NO. 1998-74,
SITUATED IN THE N.W. 1/4 OF SECTION
15 T. 1 S., R. 1 E., W.M. CITY OF
PORTLAND, MULTNOMAH COUNTY, OREGON

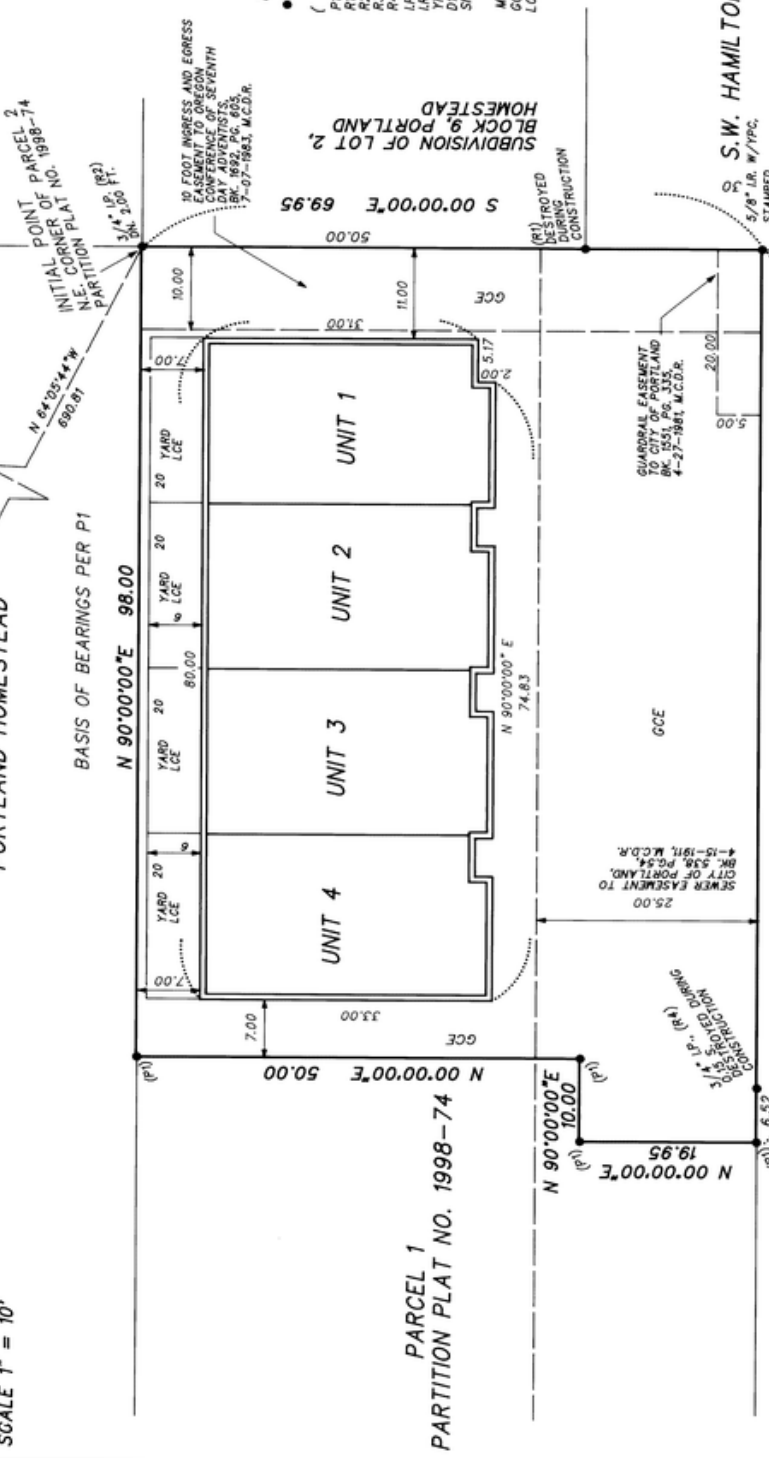
NOTES:

1. Narrative: For boundary determination and basis of bearings see the Partition Plat No. 1998-74. Purpose: to plat subject property into condominium units, as shown.
2. Building dimensions and ties shown are to the outside face of the foundation wall. All building walls are 90 degrees at the corners.

GENETIC CONTROL POINT IN
SECTION 15, T. 1 S., R. 1 E.,
W.M. CITY OF PORTLAND,
MULTNOMAH COUNTY, OREGON.
STATIONED AT CORNER OF
CONCRETE AND BRICK WALLS,
CORNER EVANS STA. 0070 1992
DAILY COP GRIS STA
INC. PER SN 53107

LOT 4, BLOCK 9,
PORTLAND HOMESTEAD

SCALE 1" = 10'



LEGEND

- = Found 5/8 inch Iron Rod with YPC stamped "Repetto & Assoc.", unless noted otherwise.
- () = Record information
- P1 = Partition Plat No. 1998-74
- R1 = SN 55657
- R2 = SN 12086
- R3 = SN 55315
- R4 = SN 37367
- I.P. = Iron Pipe
- I.R. = Iron Rod
- Y.P.C. = Yellow Plastic Cap
- DI = Dead Document No. 97062996
- SN = Survey Record No. per Multnomah County Survey Records.
- M.C.D.R. = Multnomah County Dead Records
- GCE = General Common Element
- LCE = Limited Common Element

REGISTERED
PROFESSIONAL
LAND SURVEYOR
OREGON
STEVEN P. BIRKLES
EXPIRES: 12/31/99

SHEET INDEX:
Sheet 1: Boundary and building Location.
Sheet 2: Unit Details
Sheet 3: Certificate, Approvals, Acknowledgement
and Declaration.

LOT 3, BLOCK 9,
PORTLAND HOMESTEAD

(R1) TROVED
DESIGN
CONSTRUCTION
5/8" IR. W/YPC.
STAMPED
15-25316" (R3)
DESTROYED DURING CONSTRUCTION
REPLACED WITH A 5/8" IR. WITH YPC
STAMPED "REPETTO AND ASSOC."

SHEET 1 OF 3

REPETTO & ASSOCIATES, INC.
LAND SURVEYORS
1225 NW Murray Rd. - Room 202
Portland, OR 97229
(503) 643-8755

Date: January 11, 1999 Deg. File: P970470.0CD
Drawn By: JWE Job No. 97047

I certify, that this tracing, is
a true and correct copy of
the original plat.

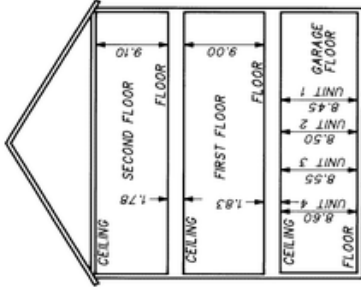
HAMILTON COURT CONDOMINIUMS

A REPLAT OF PARCEL 2,
PARTITION PLAT NO. 1998-74,
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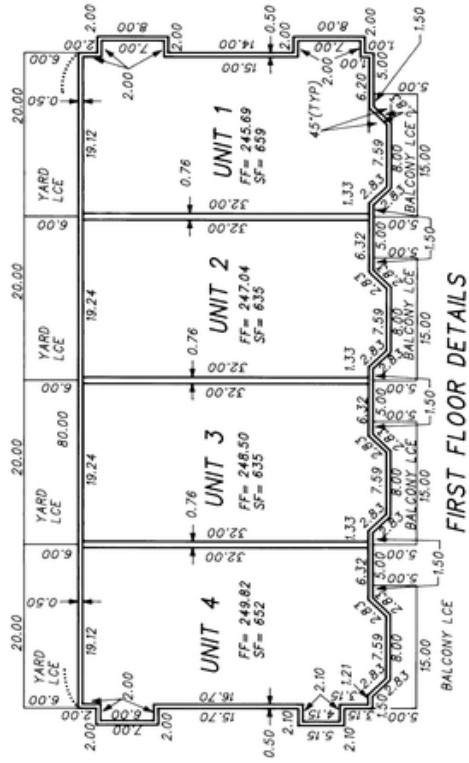
NOTES:

1. Floor elevations are based on City of Portland Bench Mark number 2433, a brass disk in the curb, northwest corner of S.W. Hamilton Street and Corbett Avenue, elevation 210.72.
2. Balconies and yards are Limited Common Elements.
3. All walls shown are General Common Element. Exterior walls shown on this floor plan are Limited Common Elements.
4. All windows and doors are shown on this floor plan. All windows and doors are shown on this floor plan. All windows and doors are shown on this floor plan.

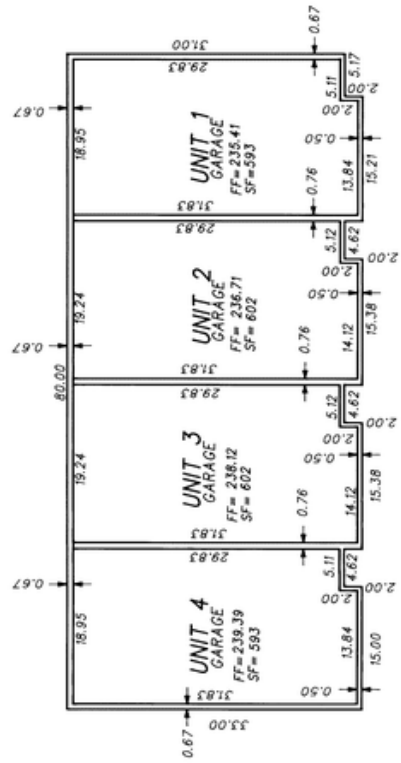
SCALE 1" = 10'



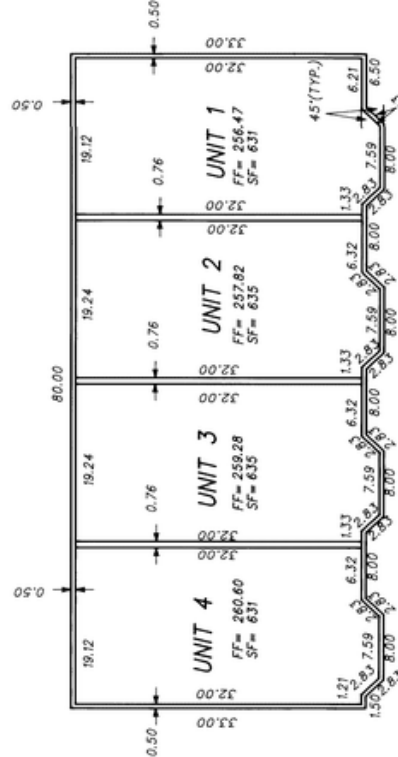
LEGEND
 GCE = General Common Element
 LCE = Limited Common Element
 FF = Finished Floor Elevation
 SF = Square Feet
 TYP. = Typical



FIRST FLOOR DETAILS



GARAGE FLOOR DETAILS



SECOND FLOOR DETAILS

SHEET 2 OF 3

REGISTERED
PROFESSIONAL
LAND SURVEYOR
STEVEN P. BUCKLES
OREGON
STEVEN P. BUCKLES
2331
EXPIRES: 12/31/99

REPPETO & ASSOCIATES, INC.
LAND SURVEYORS
1225 NW Murray Rd. - Room 202
Portland, OR 97229
(503) 643-8755

I certify that this tracing is
a true and correct copy of
the original plat.

Date: January 11, 1999 Dwg. File: P97047E.GXD
Drawn By: JWE Job No. 97047

HAMILTON COURT CONDOMINIUMS

A REPLAT OF PARCEL 2, PARTITION PLAT NO. 1998-74, SITUATED IN THE N.W. 1/4 OF SECTION 15 T. 1 S., R. 1 E., W.M., CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

APPROVALS

This condominium plat is in substantial conformity with the City of Portland Bureau of Buildings permit records

Approved March 10, 1999 City of Portland Bureau of Buildings

By Margaret Mackenzie

Approved March 11, 1999 County Surveyor Multnomah County, Oregon

By Steve R. Ouellet - Deputy

DECLARATION

Know all persons by these presents that Peter M. Perrin and Kelly Wood, the owners, and PMP LLC, an Oregon limited liability company, do hereby certify that the attached map of HAMILTON COURT CONDOMINIUMS is a true and correct map and plat thereof, and do hereby commit said land to the operation of Oregon Condominium Act as laid out in Chapter 100 of the Oregon Revised Statutes. The property and improvements described and depicted on the plat are in compliance with the provisions of Oregon Revised Statutes 100.005 to 100.025.

Peter M. Perrin, Owner Kelly Wood, Owner

PMP LLC Peter M. Perrin, Member

SURVEYOR'S CERTIFICATE

I, Steven P. Buckles, certify that I have correctly surveyed and marked with proper monuments the lands represented on the attached plat of HAMILTON COURT CONDOMINIUMS, being a replat of Parcel 2, Partition Plat No. 1998-74, a plot of record situated in the Northwest 1/4 of Section 15, T. 1 S., R. 1 E., W.M., City of Portland, Multnomah County, Oregon. I used a found 3/4 inch diameter iron pipe at the northeast corner of said Parcel 2; the lands being committed to said condominium are described as follows: Beginning at said Initial Point, thence, along the east line of said Parcel 2, East, 89.50 feet to the southeast corner of said Parcel 2; thence, along the south line of said Parcel 2, South, 108.00 feet to the southwest corner of said Parcel 2; thence, along the west line of said Parcel 2, North 00°00'00" East, 19.95 feet to an angle point therein; thence, along said west line, North 90°00'00" East, 10.00 feet to an angle point therein; thence, along said west line, North 00°00'00" East, 50.00 feet to the northeast corner of said Parcel 2; thence, along the north line of said Parcel 2, North 90°00'00" East, 98.00 feet to the Initial Point.

Steven P. Buckles - Oregon PLS No. 2231

All taxes, fees, assessments or other charges as provided by O.R.S. 100.110 have been paid as of March 12, 1999

Director, Division of Assessment and Taxation, Multnomah County, Oregon

By Mary Steinke Deputy

I do hereby certify that the attached condominium plat was received for record and recorded March 12, 1999 at 5:00 P.M. in Book 1241 on Pages 89, 90, 91

State of Oregon } s.s. County of Multnomah }

State of Oregon } s.s. County of Multnomah }

ACKNOWLEDGEMENT

This certifies that on this 28 day of February 1999, personally appeared before me, Kelly Wood individually and Peter M. Perrin as a member of PMP LLC, and Steven P. Buckles, a registered Professional Land Surveyor, who did say that they are the identical individuals named in the foregoing instrument and did say and acknowledge said instrument to be their voluntary act and deed, and Peter M. Perrin did say that he is a member of PMP LLC and said instrument was signed in behalf of said limited liability company by authority of its members, and he acknowledged said instrument to be PMP LLC's voluntary act and deed.

Notary Public in Oregon My Commission Expires: 2/21/01



County Recording Office Kelly Wood, Notary Public Document No. 99051529

SHEET 3 OF 3 REPPETO & ASSOCIATES, INC. LAND SURVEYORS

1225 NW Murray Rd. - Room 202 Portland, OR 97229 (503) 643-8755

Date: January 11, 1999 Drawn By: JWE Job No. 97047

I certify that this tracing is a true and exact copy of the original plat.

I, Steven P. Buckles, a registered professional land surveyor, do hereby certify that the plat of HAMILTON COURT CONDOMINIUMS, fully and accurately depicts the boundaries of the units and of common areas, easements, and other appurtenances and buildings as depicted on such plat, has been completed as of January 11, 1999.

Steven P. Buckles - Oregon PLS No. 2231

After Recording, Return To:
Rebecca Biermann Tom
Barg Tom PC
121 SW Morrison, Suite 600
Portland, OR 97204

plu J. Smith

Multnomah County Official Records
C Swick, Deputy Clerk

2010-147297



\$241.00

00755141201001472970420428

11/22/2010 11:49:10 AM

1R-AMBYLAWS

Cnt=1 Stn=10 RECCASH1

\$210.00 \$11.00 \$15.00 \$5.00

**AMENDED AND RESTATED BYLAWS
OF
HAMILTON COURT CONDOMINIUMS OWNERS' ASSOCIATION**

These AMENDED AND RESTATED BYLAWS OF HAMILTON COURT CONDOMINIUMS OWNERS' ASSOCIATION (the "Bylaws") are made effective as of the 17th day of November, 2010, by the Hamilton Court Condominiums Owners' Association, an Oregon nonprofit corporation (the "Association").

Recitals:

A. These Amended and Restated Bylaws of Hamilton Court Condominiums Owners' Association are made pursuant to ORS 100.410 and Article 11 of the Bylaws for Hamilton Court Condominiums (the "Original Bylaws"), attached as Exhibit A to the Condominium Declaration for Hamilton Court Condominiums (the "Declaration"). The Declaration was originally recorded in the real property records of Multnomah County, Oregon on March 12, 1999 as Document No. 99051540 and was re-recorded on November 2, 2010 as Document No. 2010-138577 to include the Bylaws, which were missing from the original recording.

B. The Association, through the amendment procedures set forth in Article 10 of the Bylaws, desires to amend and restate the Bylaws.

NOW, THEREFORE, the Bylaws are hereby amended and restated as follows:

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1. GENERAL PROVISIONS.

1.1 Identity. Hamilton Court Condominiums Owners' Association, a nonprofit corporation organized under the laws of the State of Oregon, the Articles of Incorporation of which were filed in the Office of the Oregon Corporation Commissioner on the 17th day of November, 2010 (the "Association"), has been organized for the purpose of administering the operation and management of Hamilton Court Condominiums (the "Condominium"), in accordance with the terms of these Bylaws. The Condominium was established by PMP LLC, an Oregon limited liability company (the "Declarant"), in accordance with the provisions of ORS Chapter 100 (the "Act"). The Condominium is located upon property in the City of Portland, Multnomah County, Oregon, as more particularly described in the Declaration of Condominium Ownership for Hamilton Court Condominiums (the "Declaration").

1.2 Bylaws Subject to Other Documents. The provisions of these Bylaws are applicable to the Condominium and are expressly subject to the terms, provisions, and conditions contained in the Articles of Incorporation of the Association (the "Articles") and in the Declaration.

1.3 Defined Terms. All defined terms used in these Bylaws and not specifically defined herein shall have the meaning given such terms in the Declaration. As used in the Bylaws, the Articles, Rules and Regulations, and any exhibits thereto, unless the context shall otherwise require, the following definitions shall be applied:

1.3.1 Act shall mean the Oregon Condominium Act, currently ORS 100.005 to 100.990, as amended from time to time.

1.3.2 Board shall mean the Board of Directors of the Association.

1.3.3 Bylaws shall mean the Bylaws of the Association, as amended from time to time.

1.3.4 Common Elements shall mean all those portions of the Condominium exclusive of the Units.

1.3.5 General Common Elements shall mean those Common Elements designated in as General Common Elements in Section 4.1 of the Declaration.

1.3.6 Legal Requirements shall mean any and all laws, orders, rules, and regulations of any governmental entity.

1.3.7 Limited Common Elements shall mean those Common Elements designated in Section 5 of the Declaration.

1.3.8 Mortgagee shall include a mortgagee, deed of trust beneficiary and a vendor under a contract for the sale of real estate.

1- AMENDED AND RESTATED BYLAWS

1.3.9 Owner shall mean the owner or owners of a Unit, but shall not include a Mortgagee unless in possession of a Unit.

1.3.10 Property shall mean the property submitted to the provisions of the Act by the Declaration.

1.3.11 Rules and Regulations shall mean those rules and regulations governing the use and enjoyment of the Condominium, as adopted by the Board pursuant to the Bylaws.

1.3.12 Turnover Meeting shall mean the meeting at which Declarant relinquishes control of the administration of the Association pursuant to ORS 100.210.

1.4 Applicability. All (i) Owners; (ii) tenants and occupants of any Unit; and (iii) their respective agents, servants, invitees, licensees, and employees that use the Condominium, or any part thereof, are subject to these Bylaws, and all rules and regulations thereunder as promulgated from time to time.

1.5 Office. The office of the Association shall be in Portland, Oregon, or at any other place within the Portland, Oregon metropolitan area designated by the Association.

2. MEETINGS OF OWNERS.

2.1 Administrative Control. Notwithstanding any other provisions of these Bylaws below, until the Turnover Meeting, the Declarant shall have the powers and authorities reserved to the Declarant in Section 10 of the Declaration.

2.2 Turnover Meeting. The Turnover Meeting, which shall constitute the initial meeting of the Association, shall be called by the Declarant within ninety (90) days of the expiration of the period of Declarant's administrative control described in Section 10 of the Declaration. The Declarant shall give notice (as provided in Section 2.6) of the Turnover Meeting to each Owner at least ten (10) days but not more than fifty (50) days prior to the meeting. The notice shall state the purpose, time, and place of the meeting. If the meeting is not timely called by the Declarant, the meeting may be called and notice given by any Owner or by any first Mortgagee of a Unit. At the Turnover Meeting, (i) the Declarant shall relinquish control of the administration of the Association to the Owners and the latter shall assume control thereof; (ii) the Owners shall elect a board of directors as set forth in these Bylaws; and (iii) the Declarant shall deliver to the Association the items specified in Section 100.210(5) of the Act. During the three (3) month period following the Turnover Meeting, the Declarant or an informed representative thereof shall be available to meet with the Board on at least three mutually acceptable dates to review the documents delivered pursuant to Section 100.210(5) of the Act. If the Declarant has complied with the terms of Section 100.210 of the Act, then, unless the Declarant otherwise has sufficient voting rights as an Owner to control the Association, the Declarant shall not be responsible for the failure of the Owners to comply with the provisions of Section 100.210(4) of the Act, and the Declarant shall be relieved of any further responsibility for the administration of the Association except as an Owner for any unsold Unit.

2- AMENDED AND RESTATED BYLAWS

2.3 Annual Meetings. In the twelfth month following the month in which the Turnover Meeting is held, the first annual meeting of Owners shall be held. At such meeting, the incumbent directors of the Association (any director of the Association, a "Director") elected at the Turnover Meeting shall resign and three directors (who may have previously served as Directors) shall be elected by the Owners in accordance with these Bylaws. Thereafter, annual meetings shall be held in the same month as the initial annual meeting or in the month following, at such hour and on such date as the Chairperson of the Board of Directors (the "Chairperson") may designate or, if the Chairperson fails to designate such date by the last day of the first month in which the meeting may be held, the meeting shall be held on the second Wednesday of the second month in which the meeting may be held, unless such date shall be a legal holiday, in which event the meeting shall be held on the next succeeding business day. At such meetings, the Owners shall elect Directors to fill vacancies or to succeed retiring Directors as provided in Article 3 of these Bylaws and shall also transact such other business of the Association as may properly come before the meeting.

2.4 Place of Meetings. Meetings of the Owners shall be held at the principal office of the Association or at such other suitable and convenient place within the Portland, Oregon metropolitan area, as may be designated by the Board.

2.5 Special Meetings. It shall be the duty of the Chairperson or Secretary of the Association ("Secretary") to call a special meeting of the Association if so directed by a majority of the Board or upon a petition signed and presented to the Secretary by the Owners of not less than 50 percent of the Units stating the purpose of the meeting. In addition, the Chairperson may elect to call a special meeting without being directed to do so by the Board or Owners. The notice of any special meeting shall state the purpose, time, and place of such meeting as well as the items on the meeting agenda, including, without limitation, the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes or any proposal to remove a Director or Officer. No business shall be transacted at a special meeting except as stated in the notice.

2.6 Notice of Meetings. The Chairperson or Secretary shall give written notice of each meeting of the Association, by hand delivery, email or U.S. Mail at least ten (10) days but not more than fifty (50) days prior to the date set for such meeting, to each Owner of record (and to any first Mortgagee of record requesting such notice), at the address or email address of such Owner as listed on the books of the Association, or at such other address or email address as such Owner shall have designated by notice in writing to the Chairperson or Secretary at least ten (10) days prior to the giving of such notice by the Chairperson or Secretary. The notice of any meeting shall state the purpose, time, and place of such meeting as well as the items on the meeting agenda, including, without limitation, the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes or any proposal to remove a Director or Officer. The giving of a notice in the manner provided in these Bylaws shall be considered notice properly served. Proof of the giving of such notice, whether by mail, email or personal delivery, shall be given by the affidavit of the person giving the notice. Notice of a meeting may be waived by any Owner before or after a meeting. For a period of ten (10) years following recording of the Declaration, notices of meetings shall also be given to Declarant in the same manner as given to Owners, and Declarant or a representative of Declarant shall be entitled to attend such meetings. When a meeting is adjourned for less than thirty (30) days, no

3- AMENDED AND RESTATED BYLAWS

notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

2.7 Voting.

2.7.1 The total number of votes of all owners shall be equal to the total number of Units in the Condominium and each Owner shall be entitled to a number of votes equal to the number of Units owned by such Owner. The Board 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 such Units in any election of Directors.

2.7.2 If an Owner is in default under a first Mortgage on its Unit for ninety (90) consecutive days or more and the Mortgage instrument signed by the Owner provides for such a pledge upon default, the Mortgagee shall automatically be authorized to declare at any time thereafter that the Unit Owner has pledged his or her vote on all issues to the Mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, or in the event the record Owner or Owners have otherwise pledged their vote regarding special matters to a Mortgagee under a duly recorded Mortgage, only the vote of such Mortgagee or vendor will be recognized in regard to the special matters upon which the vote is so pledged, if a copy of the instrument with this pledge has been filed with the Board. Amendments to this Section shall only be effective upon the written consent of all the voting Owners and their respective Mortgagees, if any.

2.7.3 If an Owner is in default for payment of assessments or other charges under these Bylaws, the Declaration or the Rules and Regulations for sixty (60) consecutive days or more, the Owner's voting rights shall be suspended until such delinquencies are paid in full, including any interest, penalties or late charges due for such delinquency.

Minors and persons declared legally incompetent shall be eligible for membership in the Association, if otherwise qualified, but shall not be permitted to vote except through a legally appointed, qualified, and acting guardian of their estate voting on their behalf, or, in the case of a minor with no legal guardian of the minor's estate, through a parent having custody of the minor.

2.8 Absentee Ballots, Proxies and Other Methods of Voting. A vote may be cast in person, by absentee ballot in compliance with ORS 100.422 (3), by written ballot in lieu of a meeting in accordance with ORS 100.425, by proxy, or by any other method specified by the Declaration, these Bylaws or the Act, including electronic ballot. A proxy given by an Owner to any person who represents such Owner at meetings of the Association shall be in writing, signed and dated by such Owner, may be given to any person or persons of legal age, and shall be filed with the Secretary. A proxy shall terminate one year after its date (or earlier, if specified in the proxy), and every proxy shall automatically cease upon sale of a Unit by its Owner. Proxies must meet the requirements of ORS 100.427 (2) to be valid. An Owner may revoke such Owner's proxy only as provided in ORS 100.427. An Owner may pledge or assign such Owner's voting rights to a Mortgagee. In such case, the Mortgagee or its designated representative shall be entitled to receive all notices to which the Owner is entitled hereunder and to exercise the Owner's voting rights from and after the date that the Mortgagee shall give

4- AMENDED AND RESTATED BYLAWS

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.

2.9 Fiduciary, Corporate and Joint Owners. An executor, administrator, conservator, guardian or trustee may vote, in person or by proxy, at any meeting of the Owners with respect to any Unit owned or held by him or her in such capacity, whether or not the same shall have been transferred to his or her name; *provided, however*, that he or she shall satisfy the Secretary that he or she is the executor, administrator, conservator, guardian or trustee holding such Unit in such capacity. Any person voting on behalf of a Unit owned by a corporation or other entity shall provide the Secretary with written evidence, satisfactory to the Secretary, that such person is the duly constituted representative thereof. Unless a valid court order establishes the authority of a co-Owner to vote, whenever any Unit is owned by two or more persons jointly, according to the records of the Association, the vote of such Unit may be exercised by any of the Owners then present, in the absence of protest by a co-Owner. 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 the matter voted upon.

2.10 Quorum. At any meeting of the Association other than the Turnover Meeting, the presence, in person or by proxy, of a number of Owners holding twenty percent (20%) or more of the voting power of the Association shall constitute a quorum. For purposes of the Turnover Meeting, the number of Owners in attendance shall be deemed a quorum. The subsequent joinder of an Owner in the action taken at a meeting, evidenced by that Owner signing and concurring in the minutes thereof, shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of an Owner or Owners. If any meeting of the Association cannot be organized because of lack of a quorum, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present; provided, however, that a quorum for purposes of a meeting following a meeting adjourned for lack of a quorum shall be the greater of one-half (1/2) of the quorum specified in this Section 2.10 or 20 percent of the voting power of the Association. The quorum requirement is not reduced as set forth in the immediately preceding sentence unless (i) the meeting is adjourned to a date at least 48 hours from the date of the original meeting or (ii) the meeting notice specifies the quorum requirement will be reduced if the meeting cannot be organized because of a lack of quorum and the meeting notice specified the reduced quorum requirement.

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

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

2.12.1 Calling of the roll and certifying of proxies;

2.12.2 Proof of notice of meeting or waiver of notice;

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- 2.12.3 Reading of minutes of the immediately preceding meeting;
- 2.12.4 Reports of officers;
- 2.12.5 Reports of committees, if any;
- 2.12.6 Election of Directors;
- 2.12.7 Unfinished business;
- 2.12.8 New business; and
- 2.12.9 Adjournment.

2.13 Rules of Order. Unless other rules of order are adopted by resolution of the Association or the Board of Directors, all meetings of the Association shall be conducted according to the latest edition of *Roberts' Rules of Order* published by Roberts' Rules Association.

3. BOARD OF DIRECTORS.

3.1 Number, Term and Qualification. The affairs of the Association shall be governed by the Board of Directors, which shall consist of one (1) person prior to the Turnover Meeting and three (3) persons thereafter. Until the Turnover Meeting shall have been held, the Board of Directors shall consist of the Director named in the Articles of Incorporation of the Association, subject to the appointment and removal powers of the Declarant described in Section 10 of the Declaration. At the Turnover Meeting, three (3) Directors shall be elected by all Owners to serve until the first annual meeting of the Association. At the first annual meeting of the Association and at each annual meeting thereafter, three (3) directors shall be elected to serve one (1) year terms. Election by the Owners shall be by plurality. The Directors shall hold office for the term herein fixed and until their successors have been qualified and elected. There shall be no limit on the number of successive terms a Director may serve on the Board of Directors, if elected or appointed as herein provided. After the Turnover Meeting, all Directors shall be Owners and no Director shall continue to serve on the Board of Directors after the Director ceases to be an Owner. For purposes of this Section 3.1, the officers of any corporation, the trustee of any trust who holds title in trust for the benefit of the owner of the beneficial interest in the unit, a partner, employee or agent of any partnership, or a member, manager, employee or agent of any limited liability company that owns a Unit, or an executor, administrator, guardian, conservator, or other individual appointed by a court to serve in a fiduciary capacity for an owner of a Unit shall be considered co-owners of any such Unit.

3.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts in furtherance of and pursuant to such powers and duties, except acts which by or under law, the Declaration or these Bylaws may not be performed by the Board of Directors or delegated to the Board of Directors by the Owners. The Board of Directors shall be governed by ORS 100.417 and applicable provisions of ORS 65.357, 65.361, 65.367, 65.369 and 65.377. Such powers and

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duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

3.2.1 Operation, inspection, care, upkeep, repair, replacement and maintenance of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement, as required by the Declaration, these Bylaws, and by the Act. The Board shall prepare contemporaneous written documentation of the foregoing activities which shall be made available to Owners upon request.

3.2.2 Annually reviewing the reserve fund requirements. The Board of Directors shall, within thirty (30) days after reviewing the reserve fund requirements, provide to every Owner a written summary of any revisions to the reserve plan adopted by the Board of Directors.

3.2.3 Determination of the amounts required for operation, inspection, maintenance and other affairs of the Association, and the making of such expenditures.

3.2.4 Collection of the common expenses from the Owners.

3.2.5 Provision for the designation, hiring and removal of employees and other personnel, including lawyers and accountants and personnel necessary for the inspection, maintenance, upkeep and repair of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement; engagement of or contracting for the services of others; and making purchases for the maintenance, repair, replacement, administration, management and operation of the Condominium in accordance with Section 8 of these Bylaws and delegating any such powers to the manager or managing agent (and any such employees or other personnel as may be employees of the managing agent); *provided, however*, that any management agreement, service contract, or employee contract entered into before the Turnover Meeting shall not be in excess of three (3) years, and shall be terminable by the Association without penalty upon not less than thirty (30) days written notice to the other party given within sixty (60) days after the Turnover Meeting; and *provided further*, that any agreement for management services entered into after the Turnover Meeting on behalf of the Association must be terminable by the Association for cause upon not more than thirty (30) days' notice, must have a reasonable term not exceeding three (3) years, and must be renewable with the consent of the Board of Directors and the property manager. If a first Mortgagee had previously required professional management, the Board of Directors may not terminate professional management and assume self-management unless the decision to do so is approved by one hundred percent (100%) of the total voting power of the Association, and approved by first Mortgagees holding Mortgages on Units which have at least fifty-one percent (51%) of the voting rights of the Units subject to first Mortgagee Mortgages.

3.2.6 Adoption and amendment of reasonable rules and regulations of the Condominium ("Rules and Regulations") pursuant to Section 7.22 hereof.

3.2.7 Maintaining bank accounts on behalf of the Association and designating the signatories required therefor, subject to the requirements of ORS 100.480.

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3.2.8 Purchasing, leasing or otherwise acquiring, in the name of the Association or its designee, corporate or otherwise, on behalf of the Owners, Units offered for sale or lease or surrendered by their Owners to the Association.

3.2.9 Bidding for and purchasing Units at foreclosure sales (judicial or non-judicial) or other judicial or execution sales, in the name of the Association or its designee, corporate or otherwise, on behalf of all Owners upon the consent or approval of the Owners holding not less than seventy-five percent (75%) of the voting power of the Association.

3.2.10 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 Owners.

3.2.11 Organizing corporations or limited liability companies to act as designees of the Association in acquiring title to or leasing Units by the Association on behalf of all Owners.

3.2.12 Obtaining and reviewing bonds and insurance, including directors' liability insurance, for the Association and the Condominium, including the Units, pursuant to the provisions of these Bylaws, and in the case of insurance, reviewing it at least annually.

3.2.13 Charging and collecting a fee in connection with moving in to or out of a Unit.

3.2.14 Making repairs, additions and improvements to, or alterations of, the Condominium and repairs to and restoration of the Condominium in accordance with these Bylaws and Sections 4 and 5 of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or settlement under the threat thereof or to work that is urgently needed for life, safety or structural integrity reasons.

3.2.15 Making additions and improvements to, or alterations of, the Common Elements; *provided, however*, that no such project of a non-structural or non-capital nature may be undertaken by the Board of Directors if the total cost will exceed the amount of Three Thousand Dollars (\$3,000), unless (i) the Owners have enacted a resolution authorizing the project by a vote of Owners holding at least seventy-five percent (75%) of the voting power of the Association, present in person or by proxy at a meeting of the Owners or (ii) the expenditure is authorized in the annual budget of the Association. This limitation shall not be applicable to repairs or maintenance undertaken pursuant to Section 3.2.1 or to work that is urgently needed for life, safety or structural integrity reasons.

3.2.16 After giving written notice and an opportunity to be heard, levying reasonable fees, late charges, fines and/or interest against the Owners for violations of the Declaration, Bylaws, and/or Rules and Regulations, in addition to exercising any other rights or remedies provided for in the foregoing documents, based on a resolution of the Board of Directors that is delivered to each Unit, mailed to the mailing addresses designated in writing by the Owners, or mailed to the mailing address for each Unit.

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3.2.17 Borrowing money on behalf of the Association when required in connection with the inspection, operation, care, upkeep, and maintenance of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement; *provided, however*, that (i) the consent of Owners holding at least seventy-five percent (75%) of the voting power of the Association, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required for the borrowing of any sum in excess of an amount or amounts, aggregated for the calendar year in question, exceeding fifteen percent (15%) of the estimated budget of the Association for that calendar year to cover the operation, care, upkeep and maintenance of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement, and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Owner of such Unit. If any sum borrowed by the Board of Directors on behalf of the Association pursuant to the authority contained in this Section 3.2.17 is not repaid by the Association, an Owner who pays to the creditor such proportion thereof equal to his or her interest in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against such Owner's Unit.

3.2.18 Adjusting and settling claims under insurance policies and executing and delivering releases on settlement of such claims on behalf of all Owners, all holders of Mortgages or other liens on the Units, and all Owners of any other interest in the Condominium.

3.2.19 Filing all appropriate income tax returns.

3.2.20 Filing of the Annual Report described in Section 100.260 of the Act with the Real Estate Agency pursuant to Section 100.250 of the Act.

3.2.21 Enforcement by legal means of the provisions of the Act, the Declaration, these Bylaws and any Rules and Regulations adopted hereunder. Nothing in these Bylaws shall be construed as requiring the Association to take any specific action to enforce violations.

3.3 Limitation. The powers of the Board of Directors enumerated in these Bylaws shall be limited in that the Board of Directors shall have no authority to (i) acquire and pay for out of the maintenance fund of the Association any structural alterations or capital improvements of, or capital additions to, the Common Elements (other than for purposes of repairing, replacing or restoring portions of the Common Elements, subject to all the provisions of these Bylaws) requiring an expenditure in excess of an amount or amounts, aggregated for the calendar year in question, exceeding ten percent (10%) of the estimated total budget of the Association for such calendar year, or (ii) enter into agreements having a term in excess of three (3) years, except agreements specifically authorized in these Bylaws, without, in each case, the prior approval of the Owners holding at least seventy-five percent (75%) of the voting power of the Association.

3.4 Organizational Meeting. Within thirty (30) days following the annual meeting of the Association or following any meeting at which an election of Directors has been

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held, the Board of Directors shall hold an organizational meeting at such place and time as shall have been fixed by the Directors at the meeting at which the election was held.

3.5 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 Chairperson and must be called by the Secretary at the written request of at least two (2) Directors. Notice of any special meeting shall be given to each Director, personally or by mail, telephone, or telecopy at least two days prior to the day named for such meeting, and shall state the time, place and purpose of such meeting. All meetings of the Board of Directors shall be open to the Owners except that the Board may close a meeting and meet in executive session to: (i) consult with legal counsel or (ii) consider the following: (a) personnel matters, including salary negotiations and employee discipline; (b) negotiation of contracts with third parties; and (c) collection of unpaid assessments pursuant to the Act. Except in the event of an emergency, the Board of Directors shall vote in an open meeting on whether to meet in executive session. If the Board of Directors votes to meet in executive session, the Chairperson shall announce the general nature of the action being considered and when and under what circumstances the deliberations can be disclosed to the Owners. The statement, motion, or decision to meet in executive session must be included in the minutes of the meeting. A contract or action considered in executive session does not become effective unless the Board, following the executive session, reconvenes in an open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes. For other than emergency meetings, notice of each meeting of the Board of Directors 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 Owners of such meeting. Meetings of the Board of Directors may be conducted by any means of communication that allows all members of the Board of Directors to hear each other simultaneously or otherwise to communicate during the meeting, provided that, in the event that the majority of Units are the principal residences of their Owners, only emergency meetings may be conducted by telephonic communication or in the manner allowed by ORS 100.420(2). The meeting and notice requirements in ORS 100.420 may not be circumvented by chance or social meetings or by any other means. For purposes of this Section, "meeting" shall have the definition provided in Section 100.420(5) of the Act. Unless other rules of order are adopted by resolution of the Association or the Board of Directors, all meetings of the Board of Directors shall be conducted according to the latest edition of *Roberts' Rules of Order* published by Roberts' Rules Association.

3.6 Waiver of Notice. Any member of the Board of Directors 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 member of the Board of Directors at any meeting of the Board of Directors shall constitute a waiver of notice of the time and place thereof, except where a Director attends the meeting for the sole purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all the members of the Board of Directors are present at any meeting of the Board of Directors, however, no notice to Directors shall be required and any business may be transacted at such meeting.

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3.7 Quorum. At any meeting of the Association, the presence, in person, by proxy or absentee ballot (if authorized by the Board) of a number of Owners holding 50 percent or more of the voting power of the Association shall constitute a quorum. The subsequent joinder of an Owner in the action taken at a meeting, evidenced by that Owner signing and concurring in the minutes thereof, shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of an Owner or Owners. If any meeting of the Association cannot be organized because of lack of a quorum, the Owners who are present, either in person, by proxy or absentee ballot (if authorized by the Board) may adjourn the meeting from time to time until a quorum is present; provided, however, that a quorum for purposes of a meeting following a meeting adjourned for lack of a quorum shall be the greater of one-half (1/2) of the quorum specified in this Section 3.7 or 20 percent of the voting power of the Association. The quorum requirement is not reduced as set forth in the immediately preceding sentence unless (i) the meeting is adjourned to a date at least 48 hours from the date of the original meeting or (ii) the meeting notice specifies the quorum requirement will be reduced if the meeting cannot be organized because of a lack of a quorum and the meeting notice specifies the reduced quorum requirement.

3.8 Removal. At any regular or special meeting of the Owners, any one or more of the members of the Board of Directors elected by the Owners may be removed with or without cause, but only by approval of at least a majority of the Owners, notwithstanding the quorum provisions of Section 2.10, and a successor may then and there or thereafter be elected by the Owners 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 the meeting.

3.9 Resignation. Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, addressed to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary.

3.10 Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a member pursuant to Section 3.8 shall, in the case of a vacancy relating to a Director elected by the Owners, be filled by vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum. Each person so elected or appointed shall be a member of the Board of Directors for the remainder of the term of the member whose position was vacated and until a successor shall be elected by a vote of the Owners as provided in these Bylaws at the next annual meeting of the Owners.

3.11 Compensation. No Director shall receive any compensation from the Association for acting in such capacity, but shall be reimbursed for his or her reasonable out-of-pocket expenses.

3.12 Liability and Indemnification of Directors, Officers, Manager or Managing Agent. To the fullest extent authorized by law and the Articles, the personal liability

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of each Director (including pre-turnover Directors) to the Association or its Owners for monetary damages for conduct as a Director shall be eliminated. Each Director (including pre-turnover Directors) and officer and the manager or managing agent, if any, shall be indemnified and held harmless by the Association, to the fullest extent permitted by law, from and against all expenses and liabilities, including attorneys' fees, reasonably incurred or imposed upon such person in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of being or having been a Director (including pre-turnover Directors), officer, manager or managing agent and shall be indemnified upon any reasonable settlement thereof. The foregoing rights of indemnification shall be in addition to and not exclusive of any and all other rights conferred on such persons under any agreement, vote of the Owners or otherwise.

3.13 Insurance. The Board of Directors shall comply with the insurance requirements contained in Article 9 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, the Board of Directors or the Owners.

3.14 Special Committees. The Board of Directors by resolution may designate one or more special committees, each committee to consist of three or more Owners which, to the extent provided in such resolution, shall have and may exercise the powers set forth in such resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Board of Directors. Such special committee shall keep regular minutes of their proceedings and report the same to the Board of Directors when required. The members of such special committee or committees designated shall be appointed by the Board of Directors or the Chairperson. The Board of Directors or the Chairperson may appoint Owners to fill vacancies on each of any special committees occasioned by death, resignation, removal, or inability to act for any extended period of time.

3.15 Voting. A Director who is present at a meeting of the Board of Directors at which action is taken on any Association matter is presumed to have assented to the action unless the Director votes against the action or abstains from voting on the action because the Director claims a conflict of interest. When action is taken on any matter at a meeting of the Board of Directors, the vote or abstention of each Director must be recorded in the minutes of the meeting. Directors may not vote by proxy or by secret ballot at meetings of the Board of Directors, except that Officers may be elected by secret ballot.

4. OFFICERS.

4.1 Designation. The principal officers of the Association shall be the Chairperson, the Secretary and a treasurer (the "Treasurer"), all of whom shall be elected by the Board of Directors. The Board of Directors may appoint a vice chairperson (the "Vice Chairperson"), an assistant treasurer (an "Assistant Treasurer"), an assistant secretary (an "Assistant Secretary") and such other officers as in its judgment may be desirable. None of the officers need be Owners until the Board of Directors is elected by the Owners at the Turnover Meeting. Thereafter, all officers shall be Owners (or officers, directors, shareholders, partners, employees or beneficiaries, or members of the respective families, of Units owned by corporations, partnerships, fiduciaries or Mortgagees).

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4.2 Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors and until their successors are elected and qualified. 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. Upon the affirmative vote of a majority of the Board of Directors, any officer may be removed, either with or without cause, and his or her 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.

4.4 Chairperson. The Chairperson shall be the chief executive officer of the Association and shall preside at all meetings of the Owners and of the Board of Directors. The Chairperson shall have all of the general powers and duties which are usually incident to the office of the chief executive officer of an association, including, but not limited to, the power to appoint committees from among the Owners from time to time as are appropriate to assist in the conduct of the affairs of the Association as determined by the Chairperson in his or her discretion.

4.5 Vice Chairperson. The Vice Chairperson shall take the place of the Chairperson and perform the Chairperson's duties whenever the Chairperson shall be absent or unable to act. If neither the Chairperson nor the Vice Chairperson is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the Chairperson on an interim basis. The Vice Chairperson shall also perform such other duties as shall from time to time be prescribed by the Board of Directors or by the Chairperson.

4.6 Secretary. The Secretary shall keep the minutes of all proceedings of the Board of Directors and the minutes of all meetings of the Association. The Secretary shall attend to the giving and serving of all notices to the Owners and Directors required by these Bylaws and other notices required by law, 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 Chairperson. In addition, the Secretary shall act as Vice Chairperson, taking the place of the Vice Chairperson and performing the Vice Chairperson's duties whenever the Vice Chairperson is absent or unable to act, unless the Directors have appointed another Vice Chairperson.

4.7 Treasurer. The Treasurer shall be responsible for Association funds and securities and for keeping full and accurate financial records and books of account showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other valuable effects in such depositories as may from time to time be designated by the Board of Directors, shall disburse funds of the Association upon properly authorized vouchers, and shall, in general, 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.

4.8 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. Checks of up to Three Thousand Dollars (\$3,000) may be signed by the professional property management company for the Condominium if authorized by general or special resolution of the Board of Directors, and, in the absence of any such general or special resolution applicable to any such instrument, then such instrument shall be signed by the Treasurer, or in his or her absence or disability, by the Chairperson or another person duly authorized by the Board of Directors. Notwithstanding the foregoing, all checks in excess of Three Thousand Dollars (\$3,000) shall require the signatures of the Chairperson or Treasurer and one other officer of the Association.

4.9 Compensation of Officers. No officer who is a member of the Board of Directors, other than the Secretary and Treasurer, shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the Owners. The Board of Directors may fix any reasonable compensation to be paid to the Secretary, Treasurer and any officers who are not also Directors.

5. BUDGET, EXPENSES AND ASSESSMENTS.

5.1 Budget.

5.1.1 The Board of Directors shall from time to time, at least annually, prepare and adopt a budget for the Association, estimate the common expenses expected to be incurred, less any previous over assessment, and assess the common expenses to the Owners in accordance with Section 10.6 of the Declaration. The budget shall provide for an adequate reserve fund for maintenance, repairs and replacement of those Common Elements, Association Property and any other property for which the Association is responsible which will normally require major maintenance, repair, or replacement in more than one (1) and fewer than thirty (30) years and for the painting of exterior painted surfaces of Common Elements, if any, in accordance with Section 5.2 of these Bylaws. The reserve account need not include (a) items that reasonably could be funded from operating assessments (as described in Sections 5.4 and 5.5 below) or (b) a reserve for Limited Common Elements for which maintenance and replacement are the responsibility of one or more unit Owners under the provisions of the Declaration or these Bylaws. The Board of Directors shall advise each Owner in writing of the amount of common expenses payable by such Owner, and furnish copies of each budget and amended budget on which such common expenses are based to all Owners, and, if requested, to their Mortgagees, at least thirty (30) days prior to the annual meeting of the Association. Failure to deliver a copy of any budget or amended budget to each Owner shall not affect the liability of any Owner for any such assessment. If the Board of Directors fails to adopt an annual budget, the last adopted budget shall continue in effect. Nothing herein contained shall be construed as restricting the right of the Board of Directors to, at any time, in their sole discretion, levy any additional assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management of the Condominium, or in the event of emergencies. After the Turnover Meeting, the Board of Directors shall be responsible, in its sole discretion, for preparation of the budget of the Association and shall not rely upon prior budgets or projections prepared by Declarant.

5.1.2 Within thirty (30) days after adoption of any proposed budget for the Condominium following the Turnover Meeting, the Board shall provide a summary of the budget to all Owners.

5.2 Reserve Fund for Replacing Common Elements. Declarant has established in the name of the Association a reserve fund for replacement and major maintenance and repairs of Common Elements and any other property for which the Association is responsible for maintenance, repair or replacement, which will normally require major maintenance, repair or replacement in more than one (1) and fewer than thirty (30) years and for the painting of exterior painted surfaces of Common Elements, if any. The common expenses of the Condominium shall be calculated on the basis of expected replacement costs and life expectancy of the items comprising the Common Elements, and any other property for which the Association is responsible for maintenance, repair or replacement, which will normally require major maintenance, repair or replacement in more than one (1) and fewer than thirty (30) years such that the reserve fund is reasonably expected to provide sufficient funds for replacement of such Common Elements and any other property for which the Association is responsible for maintenance, repair or replacement and for the painting of exterior painted surfaces of such Common Elements, if any. Such projection need not include (a) items that reasonably could be funded from operating assessments (as described in Sections 5.4 and 5.5 below) or (b) a reserve for Limited Common Elements for which maintenance and replacement are the responsibility of one or more unit Owners under the provisions of the Declaration or these Bylaws. The Association shall administer the reserve funds and shall adjust at regular intervals, but not less than annually, the amount of the periodic payments into it to reflect changes in current replacement costs over time. In addition to the Board of Directors' authority to adjust reserve assessments, following the Turnover Meeting, the Association may also reduce or increase future assessments for the reserve funds upon an affirmative vote of at least seventy-five percent (75%) of the Owners. After the Turnover Meeting, the Association may, on an annual basis by unanimous vote of the Owners, elect not to fund the reserve account.

Any funds established for any of the purposes mentioned in this Section 5.2 shall be deemed to be a reserve fund notwithstanding that it may not be so designated by the Board of Directors. The amount of the reserve funds shall constitute an asset of the Association and shall not be distributed to any Owner except on termination of the Condominium and the Association. The reserve fund is to be used only for replacement of the Common Elements and any other property for which the Association is responsible for maintenance, repair or replacement which will normally require replacement, major maintenance or repair in more than one (1) and fewer than thirty (30) years and for the painting of exterior painted surfaces of Common Elements, if any, and is to be kept separate from the assessments described in Section 5.4. After the Turnover Meeting, however, the Board of Directors may borrow amounts from the reserve fund to meet high seasonal demands on funds obtained from regular assessments or to meet other unexpected increases in expenses which will later be paid from special or regular assessments, if the Board of Directors has adopted a resolution, which may be an annual continuing resolution, authorizing the borrowing of funds. Not later than the adoption of the budget for the following year, the Board shall adopt by resolution a repayment plan providing for repayment of the borrowed funds within a reasonable period. Repayment of such amounts borrowed from the reserve fund shall include any interest that would otherwise have been earned on such amounts. Assessments under this Section 5.2 shall be allocated as described in Section 10.6 of the Declaration.

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5.3 Determination of Common Expenses. Common expenses shall include:

5.3.1 Expenses of administration.

5.3.2 Cost of insurance or bonds obtained in accordance with these Bylaws.

5.3.3 A general operating reserve, sufficient to pay the amount of the deductible on any insurance policy held by the Association under Section 9.1.1.

5.3.4 Reserve for replacements, major maintenance or repair, deferred maintenance and the cost of the reserve study, if required to obtain one under the Act, or its review and update.

5.3.5 Any deficit in common expenses for any prior period, and any accrued interest or late charges thereon.

5.3.6 Utilities for the Common Elements and other utilities not separately metered or charged.

5.3.7 Services of any person or firm to act on behalf of the Owners in connection with any other matter where the respective interests of the Owners are deemed by the Board of Directors to be similar and nonadverse to each other.

5.3.8 Professional management services, gardening, landscaping, snow removal, waste removal, cleaning, and inspection, maintenance, decorating, repair and replacement of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement and such machinery and equipment for the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement as the Board of Directors shall determine are necessary and proper, which the Board of Directors shall have the exclusive right and duty to acquire for the Common Elements and Association Property.

5.3.9 Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations or assessments which the Board of Directors is required to secure or pay for, pursuant to the terms of the Declaration or these Bylaws or which in its opinion shall be necessary or proper for the inspection, maintenance and operation of the Condominium as a first-class Condominium or for the enforcement of these restrictions, and which the Board of Directors determines should be assessed to the Owners under Section 5.4.

5.3.10 The discharge of any mechanic's lien or other encumbrance levied against the entire Condominium or against the Common Elements or Association Property, rather than merely against the interests therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board of Directors by reason of such lien or liens shall be specifically assessed to the responsible Owners.

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5.3.11 Inspection, maintenance and repair of any Unit or Common Element, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement if the Board of Directors determines that such inspection, maintenance or repair is necessary to protect the Common Elements, Association Property or any other portion of the Property, and the Owner of such Unit has failed or refused to perform such maintenance or repair in accordance with Section 8.2 within a reasonable time after written notice of the necessity of such maintenance or repair delivered by the Board of Directors to such Owner, provided that the Board of Directors may levy a special assessment against such Owner for the cost of such maintenance or repair.

5.3.12 Any other items properly chargeable as an expense of the Association.

5.4 Assessment of Common Expenses. All Owners shall be obliged to pay on a monthly basis in advance common expenses assessed to them by the Board of Directors on behalf of the Association pursuant to these Bylaws and the Declaration, including amounts applicable to the reserve fund described in Section 5.2 of these Bylaws, provided, however, that such reserve Assessment may be collected on a monthly, quarterly, or biannual basis, and at least annually, and may be assessed prospectively or in arrears. Assessments may not be waived due to limited use or nonuse of Common Elements and no Owner may claim an offset against assessments for failure of the Board of Directors to perform its obligations. The Declarant shall be assessed as the Owner of any unsold Unit, but such assessment shall be prorated to the date of sale of the Unit. Assessments shall commence and be allocated in accordance with Section 10.6 of the Declaration. At the time of closing of the sale of each Unit, the purchaser shall make the contribution described in Section 5.5.3 to the working capital fund. The Board of Directors, on behalf of the Association, shall assess the common expenses against the Owners from time to time, and at least annually, and shall take prompt action to collect from an Owner any common expense due which remains unpaid by him or her for more than ten (10) days from the due date for its payment (except as provided above for the Declarant).

5.5 Special Assessments.

5.5.1 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 Owners for capital improvements, and the proceeds of which shall be used only for the special capital improvements described in the resolution.

5.5.2 Other Reserve Trust Funds. The Board of Directors may also build up and maintain a reasonable reserve for contingencies and replacements not covered by Section 5.2 of these Bylaws. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year may be charged against such reserve. If the estimated cash requirement proves inadequate for any reason, including nonpayment of any Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed to the Owners, as provided in the Declaration. The Board of Directors shall serve notice of such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the first

assessment of common expenses which is due more than thirty (30) days after the delivery or mailing of such notice of further assessment.

5.5.3 Working Capital Fund. Declarant shall establish in the name of the Association a working capital fund for the Association. Amounts paid into this fund shall not be considered advance payments of the monthly assessments for common expenses described in Section 5.4. At the time of closing of the initial sale and each subsequent sale of each Unit, the purchaser shall make an initial contribution to the working capital fund equal to two (2) months of Association assessments for the Unit. At or prior to the Turnover Meeting, Declarant shall transfer the amount of the working capital fund to the Association for deposit in a segregated fund and administration in accordance with Section 5.5.2. During the period of administrative control described in the Declaration, Declarant shall not use any funds contained in the working capital fund to defray Declarant's expenses, contributions to reserves, or construction costs, or to compensate for any deficits in the operating budget of the Condominium.

5.6 Violation by Owners; Remedies. The violation of any Rule or Regulation or other determination duly adopted by the Board of Directors, or the breach of any covenant or provision contained in the Declaration or these Bylaws, shall give the Association the right: (i) to enter upon that part of the Condominium where such violation or breach exists and summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions so violated, and the Association or its agents shall not thereby be deemed guilty in any manner of trespass; *provided, however,* that the Association must institute legal proceedings before any item of construction may be altered or demolished in remedying such violation, and (ii) to enjoin, abate or remedy by appropriate legal proceedings the continuance of any breach. Any Owner aggrieved by such a violation shall also have the right, on behalf of the Association, to enjoin, abate, or remedy by appropriate legal proceedings any such violation and to recover its expenses in accordance with Section 11.1. All expenses of the Association in connection with such violation and such action or proceedings (including any action or proceeding brought on behalf of the Association), including engineering, architectural and other professional fees and costs, court costs and attorneys' fees and any other fees and expenses (including fees, fines, late charges and interest imposed pursuant to these Bylaws), and all damages, liquidated or otherwise, together with interest thereon at the rate of eighteen percent (18%) per annum or the highest rate permitted by applicable law until the amount outstanding is paid, shall be charged to and assessed against such defaulting Owner and shall be added to and deemed part of such Owner's respective share of the common expenses. The Association has a lien for all of the same upon the Unit of such defaulting Owner and upon all of his or her additions and improvements thereto and upon all of his or her personal property located in such Unit or elsewhere in the Condominium. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, on behalf of the Association by the Board of Directors. Any violations by an Owner of the Declaration, these Bylaws or any Rules and Regulations which are deemed by the Board of Directors to be a hazard to public health or safety may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the offending Owner as a specific item, which shall be a lien against the offending Owner's Unit with the same force and effect as if the charge were a part of the normal common expenses attributable to such Unit.

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5.7 Liability of Owners. An Owner shall be liable for the expenses of any maintenance, repair or replacement rendered necessary by his or her act, neglect or carelessness or by that of any member of his or her family, or their guests, employees, servants, invitees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing in these Bylaws, however, shall be construed to modify any waiver by insurance companies of rights of subrogation. The expense of any such maintenance, repair or replacement shall be charged to the responsible Owner as a specific item, which shall be a lien against the corresponding Unit with the same force and effect as if the charge were a part of the normal common expenses attributable to such Unit.

5.8 No Waiver. The failure of the Association or of an Owner to enforce any right, provision, covenant or condition which may be granted by any of the provisions of the Declaration, these Bylaws or any Rules or Regulations shall not constitute a waiver of the right of the Association or an Owner to enforce such right, provision, covenant or condition in the future.

5.9 Receiver. From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent assessments regarding a Unit that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Unit as and when due. If the rental is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard for rental units in this type of Condominium, rent the Unit or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Unit, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent assessments. Only a receiver may take possession and collect rents under this Section, and a receiver shall not be appointed less than 90 days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.

6. RECORDS AND AUDITS.

6.1 General Records. The Board of Directors and the managing agent or manager, if any, shall keep 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 and contemporaneous written documentation of the Association's inspection, operation, care, upkeep, repair, replacement and maintenance of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement. The Board of Directors shall maintain a list of Owners entitled to vote at meetings of the Association and a list of all first Mortgagees of Units. The Association shall maintain within the State of Oregon a copy, suitable for duplication, of: (i) the Articles, the Declaration, these Bylaws, the Rules and Regulations, the recorded plat(s), and any amendments or supplements thereto; (ii) the most recent annual financial statement of the Association described in Section 6.5; (iii) the current operating budget of the Association; and (iv) all documents, information and records delivered to the Association at the Turnover Meeting. Such documents shall be available for inspection within the State of Oregon and, upon

written request, available for duplication, by Owners, Mortgagees of Units, insurers and guarantors of such Mortgages, and prospective purchasers of Units during normal business hours, except as otherwise permitted under ORS 100.480. The Board of Directors shall retain the documents required by 100.480(1) for the time period required by such statute. Records kept by or on behalf of the Association may be withheld from examination as permitted by the Act.

6.2 Records of Receipts and Expenditures. The Board of Directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Elements, itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the Owners, Mortgagees of Units, and insurers and guarantors of such Mortgages during normal business hours.

6.3 Assessment Roll. The assessment roll shall be maintained in a set of accounting books or on a computerized accounting program in which there shall be an account for each Unit. Such account shall designate the name and address of the Owner, the amount of each assessment against the Owner, 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. Vouchers and instruments shall be authorized and signed in accordance with Section 4.8 above.

6.5 Reports and Audits. An annual financial statement of the Association consisting of at least a balance sheet and income and expense statement for the preceding fiscal year, shall be rendered by the Board of Directors to all Owners, and to all first Mortgagees of Units who have requested the same, within ninety (90) days after the end of each fiscal year. If required by ORS 100.480, the Board shall have the financial statement reviewed by an independent certified public accountant licensed in the State of Oregon in accordance with the requirements of ORS 100.480(4) within one hundred and eighty (180) days after the end of the fiscal year. At any time any Owner or first Mortgagee may, at his or her own expense, cause an audit or inspection to be made of the books and records of the Association. Pursuant to ORS 100.480(6), the Association may elect on an annual basis not to comply with ORS 100.480(4) by an affirmative vote of at least sixty percent (60%) of the Owners, not including the votes of the Declarant with respect to the Units owned by the Declarant. Upon written request, any holder, insurer or guarantor of a first Mortgage shall be entitled to a copy of the audited financial statement for the immediately preceding fiscal year at the expense of the Association and shall be made available within one hundred and twenty (120) days after the end of such fiscal year.

6.6 Notice of Sale or Mortgage; Rental or Lease. Immediately upon the closing of any sale or Mortgage, rental or lease of any Unit, the Owner shall promptly inform the Secretary or manager of the name and address of the purchaser or Mortgagee, lessee or tenant.

6.7 Statement of Assessments. Within ten (10) business days after receipt of a written request from an Owner or Owner's agent for the benefit of a prospective purchaser of such Owner's Unit(s), the Association shall provide a written statement detailing the amount of assessments due from such Owner and unpaid at the time the request was received, including regular and special assessments, fines and other charges, accrued interest, late payment charges,

the percentage rate at which interest accrues on assessments not paid when due, and the percentage rate used to calculate the late payment charges or the amount of a fixed charge for late payment. The Association is not required to comply with the foregoing request if the Association has commenced litigation by filing a complaint against the Owner, and the litigation is pending when the statement would otherwise be due.

7. OCCUPATION AND USE.

7.1 Rentals. The Leasing or Renting of a Unit by its Owner shall be governed by the provisions of this Section 7.1. As used herein, "Leasing," "Renting," "Leased" or "Rented" means the granting of a lease, sublease, right to use or to occupy a Unit for a specified term or indefinite term in exchange for the payment of rent (that is, money, property or other goods or services of value) but shall not mean and include joint ownership of a Unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership. With the exception of a lender in possession of a Unit following a default under a Mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of a foreclosure, no Owner shall be permitted to Lease his or her Unit for hotel or transient purposes, or for any period of fewer than thirty (30) days.

7.1.1 No Partial Leases. No Owner may Lease less than the entire Unit.

7.1.2 Written Leases. All Leasing, Rental or other occupancy agreements shall be in writing and shall expressly state that they shall be subject to the Declaration and these Bylaws (with a default by the tenant or occupant in complying with the Declaration and/or these Bylaws constituting a default under the Lease, Rental, or other occupancy agreement).

7.1.3 Payment by Tenant or Lessee to Association. If a Unit is Rented by its Owner, the Board may collect, and the tenant, lessee or occupant shall pay over to the Board, so much of the rent for such Unit as is required to pay any amounts due the Association hereunder, plus interest and costs if the same are in default over thirty (30) days. The renter, or occupant lessee shall not have the right to question payment over to the Board. Such payment will discharge the lessee's, renter's or occupant'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.

7.1.4 No Other Restrictions. Other than as stated in this Section 7.1, there is no restriction on the right of any Owner to Lease or otherwise Rent his or her Unit.

7.2 Insurance Risk. No Unit or Common Elements shall be occupied or used by anyone in such a manner as to result in an increase in the cost of casualty or liability insurance on the Condominium or the risk of cancellation, or threat of cancellation, of any policy of insurance on the Condominium or any Unit or Common Elements.

7.3 Compliance. Each Owner shall comply and shall require all residents, lessees, tenants, occupants, servants, invitees, employees and visitors to his or her Unit to

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comply with the Act, the Declaration, these Bylaws and the Rules and Regulations adopted pursuant thereto. An Owner shall continue to be responsible for compliance with all of the foregoing, notwithstanding that the Unit is Leased or Rented in violation of these Bylaws.

7.4 Alterations. No Owner except Declarant shall make or allow any structural alterations in or to his or her Unit, or alter the exterior design or color of any part of the Owner's Unit normally visible from the exterior thereof (including any alteration of the window coverings for the Owner's Unit) or make an installation or any change to an installation upon the Common Elements, or maintain, paint, decorate, alter or repair any part of the Common Elements or allow others to do so, without the prior consent in writing of the Board of Directors. The Board of Directors shall consider the granting of such consent only after the Owner shall submit a complete set of architectural, mechanical, electrical or other relevant plans and specifications, which submission shall be reviewed by such architects and engineers as the Board of Directors shall deem appropriate. Whether or not such consent is granted, the Owner shall pay, upon demand and in advance, if so required by the Board of Directors, for such professional review. During the course of construction and after completion of same, the Board of Directors may cause its professional advisors to inspect the work to ensure that it is performed in compliance with the approved plans. The costs of such inspection(s) shall be paid by the Owner to the Board of Directors, upon demand.

Prior to commencement of construction, the Owner shall provide the Board of Directors with copies of all relevant building permits and evidence of due compliance with any other requirements of government bodies having jurisdiction regarding such work. An Owner may not remove any partition walls separating contiguous Units. An Owner may have removed by the Association, at such Owner's expense, a part of the partition wall separating contiguous Units owned by an Owner provided that (i) such removal shall not interfere with any structural support elements or loadbearing partitions or columns or with any pipes, wires, cables, conduits or ducts or other mechanical systems and (ii) such Owner agrees in writing to have the Association restore such wall at such Owner's expense in the event that the ownership of the Units is subsequently divided. Before proceeding with any approved alterations or improvements, the Owner shall, if the Board of Directors so requires, provide to the Association, at the expense of the Owner, a performance bond and a labor and materials bond, issued by a surety satisfactory to the Board of Directors, each in the amount of at least one hundred twenty-five percent (125%) of the estimated cost of such alterations or improvements or such other security as shall be satisfactory to the Association.

7.5 Residential Use. The Units shall be used for: (i) residential purposes only, including sleeping, eating, food preparation for on-site consumption by occupants and guests, entertaining by occupants of personal guests and similar activities commonly conducted within a residential dwelling; (ii) for the common social, recreational or other reasonable uses normally incident to such purposes; and (iii) for purposes of operating the Association and managing the Condominium. An Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for the Condominium and all other applicable legal requirements; (iii) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the

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Condominium; and (iv) the business activity is consistent with the residential character of the Condominium and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Condominium, as may be determined in the sole discretion of the Board of Directors.

7.6 Non-Interference. Each Unit shall be used only for such purpose and to such extent as will not overload or interfere with any Common Elements or the enjoyment of adjacent Common Elements by the other Owners.

7.7 Nuisances. No nuisances or noxious or offensive activities shall be allowed in the Condominium nor shall any use or practice be allowed that is improper or offensive in the opinion of the Board of Directors or that unreasonably interferes with or is an unreasonable annoyance to the peaceful possession or proper use of the Condominium by other Owners or occupants or requires any alteration of or addition to any Common Element. Unit occupants and their guests shall exercise extreme care not to make noises that may disturb other occupants or guests, including the use of musical instruments, radios, televisions and amplifiers. Speakers for audio equipment may not be mounted on or against walls or on floors of a Unit without an adequate sound barrier to prevent vibration and transmission of bass sounds outside the Unit. Road noise, noise from mechanical systems of the Condominium, air compressors and other incidental noises from a multi-family building, including, without limitation, from residents' use of the Common Elements in accordance with these Bylaws and the Rules and Regulations, shall not be considered nuisances. In addition, smells from barbecues on Unit patios shall not be considered nuisances. Owners shall not discard or throw, or allow to be discarded or thrown, intentionally or otherwise, any items from the windows, patios or entry areas, including, without limitation, cigarettes or ashes. Without limitation of the foregoing, no woodpiles shall be permitted outside of any Unit and no Owners shall allow the storage or use of hazardous substances in their Units other than normal cleaning materials stored and used in accordance with applicable law. Additionally, Owners and other occupants shall not engage in any abusive or harassing behavior, either verbal or physical, or any form of intimidation or aggression directed at other Owners, occupants, guests, or invitees, or directed at the manager, its agents, employees or vendors.

7.8 Offensive or Unlawful Activities. No noxious or offensive activities shall be carried on upon the Condominium, Unit, Common Elements, or any part thereof, nor shall anything be done or placed in, on or under any part of the Condominium or any Unit which unreasonably interferes with or jeopardizes the enjoyment of the Condominium, or which is a source of unreasonable annoyance to residents. No unlawful use shall be made of the Condominium or any part thereof, and all laws, zoning ordinances, regulations or any other Legal Requirement (as defined in the Declaration) of all governmental authorities having jurisdiction thereof shall be strictly complied with. Construction of buildings and improvements that are part of or are scheduled to become a part of the Condominium shall not violate this Section. Compliance with any Legal Requirements shall be accomplished by and at the sole expense of the Owner or Association, as the case may be, whichever shall have the obligation to maintain and repair the portion of the Condominium affected by any such Legal Requirement. Each Owner shall give prompt notice to the Board of Directors of any written notice received of the violation of any Legal Requirement affecting the Owner's Unit or the Condominium. Notwithstanding the foregoing provisions, an Owner may, at his or her expense, defer

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compliance with and contest, by appropriate proceedings prosecuted diligently and in good faith, the validity or applicability of any Legal Requirement affecting any portion of the Condominium which such Owner is obligated to maintain and repair, and the Board of Directors shall cooperate with such Owner in such proceedings, *provided that*:

7.8.1 Such Owner shall pay and shall defend, save harmless, and indemnify the Board of Directors, the Association, and each other Owner against all liability, loss or damage which any of them respectively shall suffer by reason of such contest and any noncompliance with such Legal Requirement, including attorneys' fees and other expenses incurred;

7.8.2 Such Owner shall keep the Board of Directors advised as to the status of such proceedings; and

7.8.3 If any Owner conducts any activity or fails to comply with any Legal Requirement that increases the insurance premiums on insurance carried by the Association, or for which the Association is directly or indirectly responsible, such Owner shall pay such increased premium to the Association, upon demand, and if not so paid, such amount shall bear interest after the date of such demand at the rate provided in Section 5.7.

An Owner need not comply with any Legal Requirement so long as the Owner is contesting the validity or applicability thereof as provided in Section 7.8, *provided that* noncompliance shall not create a dangerous condition or constitute a crime or an offense punishable by fine or imprisonment, and that no part of the Condominium shall be subject to being condemned or vacated by reason of noncompliance or otherwise by reason of such contest. The Board of Directors may also contest any Legal Requirement without being subject to the conditions described in Section 7.8 as to contest and may also defer compliance with any Legal Requirement, subject to the conditions contained in this Section 7.8 as to deferral of compliance by an Owner, and the costs and expenses of any contest by the Board of Directors shall be a common expense.

7.9 Improper Discharge. No Owner or occupant shall discharge, or permit to be discharged, anything into water lines, vents or flues of the Condominium that may violate applicable laws or regulations or might reasonably be anticipated to cause damage thereto or reduce the life expectancy thereof (excepting normal wear and tear), spread odors or otherwise be harmful or offensive.

7.10 Limitation on Storage Areas. Other than items placed by the Declarant or the Association, no furniture, packages or objects of any kind shall be placed in any other part of the Common Elements, except as allowed in Section 7. No storage of any kind shall be permitted on the patios located adjacent to the Units and entry areas leading to the front door of Units, except for the following specific items: well-maintained patio furniture, charcoal barbeques and plants with drip containers, so long as these do not protrude from the patio or entry area, do not block access to the front door of a Unit, or overhang the patio railing. In addition, no items of any kind may be hung from the patio or entry area walls or railings without the prior approval in writing of the Board of Directors. Owners and occupants shall promptly clean up debris and water on their patio and entry area.

7.11 Parking and Parking Areas. All use of parking areas included in the Common Elements shall be subject to the provisions of this Section 7, as well as the Rules and Regulations thereon adopted by the Board of Directors pursuant to Section 7.33. Parking spaces are restricted to use for parking of operative primary and secondary motor vehicles. Parking of boats, truck campers, recreational vehicles, or similar vehicles or equipment shall not be permitted. Parking spaces shall not be used for storage of personal property unless fully enclosed within a garage. The Board shall require removal of any inoperative or improperly licensed vehicle, or any unsightly vehicle, or any other equipment or item improperly stored in parking spaces. If the same is not removed, the Board shall cause removal at the risk and expense of the Owner thereof.

7.12 Vehicles in Disrepair. No Owner shall permit any vehicle that is in an extreme state of disrepair to be abandoned or to remain parked upon any part of the Condominium for a period in excess of forty-eight (48) hours. A vehicle shall be deemed in an "extreme state of disrepair" when the Board reasonably determines that its presence offends the residents of the Condominium. Should any Owner fail to remove such vehicle within two days following the date on which notice is mailed to such Owner by the Board, the Board may have the vehicles removed from the Condominium and charge the expense of such removal to the Owner.

7.13 Vehicles in Repair. No on-street vehicle maintenance or repair involving motor oils, fuels, or other lubricants or solvents shall be permitted anywhere on the Condominium.

7.14 On-Site Vehicle Washing. On-site vehicle washing shall be permitted only in paved areas that discharge all waste to a water quality treatment facility.

7.15 Common Streets and Sidewalks. Common streets and sidewalks and other Common Elements shall be used exclusively for normal transit and no obstructions and/or decorations or other items shall be placed thereon or therein except by express written consent of the Board.

7.16 Signs. No signs shall be erected or maintained on any part of the Condominium by anyone other than Declarant or its affiliates or their respective agents, employees, or contractors except signs that have been approved in writing by the Board.

7.17 Pets. Domestic household pets, such as cats and dogs, may be kept by Owners with the prior written consent of the Board, *provided that* the keeping of pets shall be subject to such reasonable rules and regulations as the Board may adopt from time to time. All pets shall be registered, licensed and inoculated as required by law. The Board may require the removal of any animal which the Board in the exercise of reasonable discretion determines to be disturbing other Owners unreasonably, and may exercise this authority for specific animals even though other animals are permitted to remain. Pets will not be allowed on any Common Element unless they are on a leash or being carried and are being walked to or from the Unit to a street or sidewalk. At all times the Common Elements shall be free from pet debris, including food and fecal matter. Except for the foregoing pets, no livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Condominium, nor may any animal be

bred or used therein for any commercial purposes or in any unreasonable numbers. Any outside facility for pets must be kept clean on a daily basis and no waste products or food may be left in either the facility or on the Property. Any damage caused by pets shall be the responsibility of the respective Owners thereof and any Owner who maintains any pet upon any portion of the Condominium shall be deemed to have indemnified and agreed to hold the Association, each of the Owners free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium.

7.18 Rubbish or Trash. No Unit nor any part of the Common Elements (including the decks and patios included in the Limited Common Elements) shall be used as a dump for trash or rubbish of any kind. All garbage and other debris and waste shall be kept in appropriate sanitary containers for proper disposal and out of public view within the Owner's garage. In the event an Owner or occupant fails to remove any trash, rubbish, garbage, or other debris or waste materials from such Owner's or occupant's Unit (or from the street or other Common Elements if deposited thereon by such Owner or occupant) within five (5) days after notice from the Association, the Association may have such waste removed and charge the expense of such removal to the Owner of the Unit as provided in Section 5.3.10.

7.19 Maintenance of Unit. Each Owner shall maintain such Owner's Unit and adjacent patio and deck in a clean and attractive condition, in good repair, and in such fashion as not to create a fire hazard.

7.20 Utilities and Antennae. No sewer, drainage, or utility lines, wires, satellite dishes, or other devices for the communication or transmission of electric current, power, or signals (including telephone, television, microwave, or radio signals) shall be constructed, placed, or maintained anywhere in or upon the Condominium other than within buildings or other structures unless contained in conduits or placed or maintained underground or concealed in or under Buildings or other structures, without the prior written approval of the Board. No device for the transmission or reception of telephone, television, microwave, or radio signals will be allowed within the Condominium unless the antenna is located and screened so as not to be visible from neighboring buildings and streets. The restrictions contained in this Section 7.20 shall be effective only to the extent permissible under applicable laws and regulations.

7.21 Driveways. Parking in driveways in front of a Unit Owner's garage door shall be restricted to parking by the Unit Owner of the garage to which the driveway leads or that Unit Owner's guests. The Board shall require removal of any vehicle parked in violation of this subsection. If the vehicle is not promptly removed, the Board shall cause such removal at the risk and expense of the Owner thereof (or the Owner to whose guest such vehicle belongs).

7.22 Association Rules and Regulations. In addition to the foregoing requirements, 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 the Common Elements as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Condominium, including, without limitation, establishment of reasonable administrative fees, such as fees for new owner set-up and owner's packet, move-in and move-out fees, etc. Any such Rules and Regulations may be amended, modified or revoked by the Owners of Units in the same manner as these Bylaws. A copy of the Rules and

Regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the Board of Directors promptly to each Owner and shall be binding upon all Owners and occupants of all Units from the date of delivery.

8. MAINTENANCE AND REPAIR.

8.1 Maintenance by Association. The necessary work to maintain, repair, or replace the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement shall be the responsibility of the Association and shall be carried out by the Board as provided in these Bylaws and shall be charged to the Owners as a common expense in accordance with the Declaration, as such Declaration may be amended, provided, that if such maintenance, repairs or replacement have been necessitated by acts or omissions of an Owner by reason of which the Owner is responsible under applicable law or under these Bylaws for all or a portion of the costs thereof, such costs shall be charged solely to the Owner so responsible. However, should actual collection of such costs from the responsible Owner within a reasonable period of time prove impossible after reasonable collection efforts, the uncollected portion may be charged as a common expense in accordance with the Declaration, as such Declaration may be amended, subject to reimbursement of any amounts later collected from the responsible Owner. The Board shall be solely responsible for determining the appropriate maintenance for the Common Elements and all other items for which the Board is responsible for maintaining in the Declaration or these Bylaws. Without limitation of the foregoing, the Association shall be responsible for the inspection, painting, staining, repair and replacement of the exterior surfaces of all Units (including the repair and replacement of roofs, gutters, siding, exterior doors and garage doors); the repair and resurfacing of all streets, driveways, and walkways; and the cutting, pruning, trimming, and watering of all landscaping. The Association is responsible for maintaining warranties in effect, if any, for all portions of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement, to the fullest extent possible.

If the Mortgagee of any Unit determines that the Board is not providing an adequate maintenance, repair, and replacement program for the Common Elements, such Mortgagee, at its option, may deliver a notice to the registered agent of the Association, as required pursuant to Section 100.550 of the Act, setting forth the particular defect(s) which it believes exists in the maintenance, repair, and replacement program. If the specified defect(s) are not corrected within sixty (60) days after receipt of such notice, then the Mortgagee, upon written notice to the registered agent that it is exercising its proxy rights thereunder, 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, which proxy rights shall continue until the defect(s) described in the notice are corrected.

8.2 Maintenance by Owners. 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. Without limitation of the foregoing, each Owner shall be responsible for repairing and replacing any automatic opening or similar device installed for the garage door and shall clean, maintain, and replace exterior window glass of that Owner's Unit, regardless of whether such items are Common Elements. In addition, each Owner of a Unit shall be responsible for the

maintenance, repair, or replacement of interior doors and door assemblies and any plumbing fixtures, range hoods, telephones, fans, lighting fixtures and lamps, refrigerators, dishwashers, ranges, or other appliances and accessories that may be in his or her Unit and all components of the heating and ventilation system serving the Unit, whether located inside or outside the Unit. Each Owner shall maintain the interior doors and door assemblies which provide the means of ingress and egress to and from his or her Unit (including the repair of any damage thereto). If an Owner fails properly to perform his or her maintenance and repair responsibility, the Association may enter on to the Owner's Unit and perform such maintenance and/or repair and assess all costs incurred by the Association against the Unit and the Owner as a special assessment pursuant to Section 5.3.10.

8.3 Repairs by Association. The Association may make repairs to a Unit that an Owner is obligated to make and that he or she does not make within a reasonable time. If such repairs are of an emergency nature (in that the repairs must be promptly made to prevent further or imminent potential damage to the Unit involved, other Units or any Common Element), the Association may make such repairs immediately, without notice to the Owner, if he or she is not available for reasonable notification within the time frame that the nature of the emergency shall reasonably afford. The Association shall indemnify its agents, employees and other of its representatives from any and all liability to any Owner incurred by reason of any reasonable exercise of the right of entry afforded in the Declaration or these Bylaws to effect emergency repairs. The Association shall have no liability to an Owner for any use of its right of entry or right to make emergency repairs if it shall have reasonable cause to believe that such action is required. An Owner shall be deemed to have consented to having such repairs done to his or her Unit by the Association. An Owner shall reimburse the Association in full for the cost of such repairs, except to the extent covered by insurance proceeds received by the Association, including any legal or collection costs incurred by the Association in order to collect the costs of such repairs. All such sums of money shall bear interest from the due date therefor at the rate provided in Section 5.7. The Association may collect all such sums of money in such installments as the Board of Directors may determine, which installments shall be added to the monthly contributions towards the common expenses of such Owner, after the Owner's receipt of notice thereof. All such payments are deemed to be additional contributions towards the common expenses and recoverable as such.

9. INSURANCE.

9.1 Types. Each Owner shall be responsible for obtaining, at his or her own expense, insurance covering his or her property not insured under Section 9.1.1 below and against his or her liability not covered under Section 9.1.2 below, unless the Association agrees otherwise. For the benefit of the Association and the 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:

9.1.1 Insurance covering loss or damage under an all-risk replacement cost policy, which coverage must include fire, extended coverage, vandalism and malicious mischief, and such other coverages such as flooding, which the Association may deem desirable, for not less than the full insurable replacement value, including the cost of replacement in compliance with the then applicable building codes, of the Common Elements and Association

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Property, including any fixtures, building service equipment, and common personal property and supplies belonging to the Association. Such policy or policies shall name the Association and the Owners as insureds, as their interests may appear, and shall provide for a separate loss payable endorsement in favor of the Mortgagee of each Unit, if any. No such policy shall contain a deductible exceeding five percent (5%) of the face amount of the policy.

9.1.2 A policy or policies insuring the Declarant, the Association, the Board of Directors, the Owners and the managing agent, against liability to the public or to the Owners, and their employees, invitees, or tenants, incident to the supervision, control, operation, maintenance, inspection or use of the Condominium, including all Common Elements, public ways, and any other areas under the supervision of the Association. There may be excluded from such policy or policies coverage of an Owner (other than as a member of the Association or Board of Directors) for liability arising out of acts or omissions of such Owner and liability incident to the ownership and/or use of the part of the Condominium as to which such Owner has the exclusive use or occupancy. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) on a combined single limit basis. In addition to the indexing provided under Section 12.7, the foregoing policy limits of liability shall be increased, in the sole discretion of the Board of Directors, as indicated by the course of plaintiff's verdicts in personal injury claims in the Circuit Court of Multnomah County, State of Oregon, from time to time. Such policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of the named insured under the policy or policies shall not be prejudiced as respects any action against another named insured.

9.1.3 Workman's compensation insurance to the extent necessary to comply with any applicable laws.

9.1.4 Directors' and officers' liability insurance with coverage in an amount of not less than One Million Dollars (\$1,000,000), subject to a reasonable deductible which shall be determined by the Board of Directors.

9.1.5 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 manager, such manager shall maintain fidelity insurance for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The cost of such insurance shall be at the expense of the Association. 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. 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 canceled or substantially modified (including cancellation for nonpayment of premium,) without at least ten (10) days' prior written notice to the Association and each servicer on behalf of the Federal National Mortgage Association ("FannieMae").

9.2 Mandatory Policy Provisions. Insurance obtained by the Association shall be governed by the following provisions:

9.2.1 All policies shall be written with the State of Oregon or a company licensed to do business in the State of Oregon and acceptable to FannieMae which falls into a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's *Insurance Reports*, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's *Insurance Reports – International Edition*, an "A" or better rating in Demotech's *Hazard Insurance Financial Stability Ratings*, a "BBBq" qualified solvency rating or a "BBB" or better claims-paying ability rating in Standard and Poor's *Insurer Solvency Review*, or a "BBB" or better claims-paying ability in Standard and Poor's *International Confidential Rating Service*. Should reinsurance be involved, the Board of Directors shall use its best efforts to obtain such coverage from a reinsurer having a size rating of at least "AAA."

9.2.2 All losses under policies hereafter in force placed by the Association regarding the Condominium shall be settled exclusively by the Board of Directors or its authorized representative. The Board of Directors may give such releases as are required, and any claimant, including the Owner of a damaged Unit, shall be bound by such adjustment; provided, however, that the Board of Directors may, in writing, authorize an Owner to adjust any loss to his or her Unit.

9.2.3 Each 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 (\$500.00). Nothing in this Section shall permit an Owner to make improvements other than in accordance with the Declaration and the other provisions of these Bylaws.

9.2.4 Any Owner who obtains individual insurance policies covering any portion of the Condominium other than his or her 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.

9.2.5 Notwithstanding the provisions of these Bylaws, 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 insurance trustee shall have exclusive authority to negotiate losses under any property or liability insurance policy. Each 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 Owners and their first mortgage holders, as their interests may appear.

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9.2.6 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 Owners individually, that the insurance is not prejudiced by any act or neglect of individual Owners that is not in the control of such Owners collectively, and that the policy is primary in the event the Owner has other insurance covering the same loss.

9.2.7 For purposes of this Section 9, 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 FannieMae, the designee of FannieMae, or the Association 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, policyholders or members, or (iii) such policies include any limiting clauses (other than insurance conditions) that could prevent collecting insurance proceeds.

9.2.8 All policies required by this Section 9 shall provide that they may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association and to each holder of a first Mortgage which is listed as a scheduled holder of a first Mortgage in the insurance policy. Evidence of insurance shall be issued to each Owner and to first Mortgagee upon request.

9.3 Discretionary Provisions. The Board of Directors shall make every effort to secure insurance policies that will provide for the following:

9.3.1 A waiver of subrogation by the insurer as to any claims against the Association, the Board of Directors, the manager, the Owners and their respective servants, agents, household members, and guests, except for arson and fraud;

9.3.2 A provision that any master policy on the Condominium cannot be canceled, invalidated, or suspended, nor coverage denied thereunder, on account of the conduct of any one or more individual Owners;

9.3.3 A provision that any 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;

9.3.4 A provision that any "no other insurance" clause in any master policy exclude individual Owners' policies from consideration, and a waiver of the usual proration clause with respect to such policies;

9.3.5 A provision that the insurer issue subpolicies specifying the portion of any master policy earmarked for each Owner's interest and that until the insurer furnishes written notice and a grace period to the Mortgagee insured under the loss payable clause thereof, the Mortgagee's coverage is neither jeopardized by the conduct of the mortgagor-Owner, the Association, or other Owners, nor canceled for nonpayment of premiums;

9.3.6 A rider on any master policy patterned after "Use and Occupancy" insurance which will provide relief from monthly assessments while a Unit is uninhabitable by the payment of the Condominium expenses thereof and any other fixed costs, including, but without being limited to, taxes, insurance, and Mortgage payments. The proceeds from any casualty policy, whether held by the Association or an Owner, payable with respect to any loss or damage to the Common Elements, shall be held in trust for the benefit of all insureds as their interests may appear;

9.3.7 A waiver of the insurer's right to determine whether the damage should be repaired. If reasonably available, the policy or policies should contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause, to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild;

9.3.8 Waivers of any defense based on co-insurance or of invalidity arising from the conduct or any act or omission or breach of a statutory condition of or by any insured;

9.3.9 A provision that the same shall be primary insurance in respect of any other insurance carried by any Owner;

9.3.10 An "inflation guard" endorsement;

9.3.11 An endorsement providing coverage with respect to changes that may be required under applicable codes or ordinances to undamaged portions of the Condominium in the event of a casualty affecting a portion of the Condominium; and

9.3.12 A provision that any insurance trust agreement will be recognized.

9.4 Additional Requirements.

9.4.1 Prior to obtaining any policy or policies of insurance under Section 9.1.1, or any renewal or renewals thereof and if any first Mortgagee holding Mortgages on at least seventy-five percent (75%) of the Units so requires, or at such other times as the Board of Directors may deem advisable, the Board of Directors shall obtain an appraisal from an independent qualified appraiser, of the "full replacement cost" of the Condominium, for the purpose of determining the amount of insurance to be obtained pursuant to Section 9.1.1, and the cost of such appraisal shall be a common expense; *provided, however*, that the full replacement cost of the Condominium for the policy or policies of insurance placed in force upon recording of the Original Bylaws or the Declaration shall be determined by Declarant.

9.4.2 No Mortgage may be placed against any Unit unless the Mortgagee agrees to waive any contractual or statutory provision giving the Mortgagee the right to have the proceeds of any insurance policy or policies applied on account of the Mortgage and thereby prevent application of the proceeds of any insurance policy or policies towards the repair of the property pursuant to the provisions of these Bylaws. This Section 9.4.2 shall be read without prejudice to the right of a Mortgagee to vote on or to consent to certain matters, if the Mortgage itself contains a provision giving the Mortgagee that right, and also to the right of any Mortgagee to receive the proceeds of any insurance policy, if the insured property is not repaired.

32- AMENDED AND RESTATED BYLAWS

9.4.3 A certificate or memorandum of all insurance policies and endorsements thereto shall be issued as soon as possible to each Owner and a duplicate original or certified copy of the policy or policies to each Mortgagee. Renewal certificates or certificates of new insurance policies shall be furnished to each Owner and Mortgagee not later than 10 days before the expiration of any current insurance policy. The master policy (or a copy thereof) for any insurance coverage shall be kept by the Association in its office, available for inspection by an Owner or Mortgagee on reasonable notice to the Association.

9.4.4 No insured, other than the Association, shall be entitled to amend any policy or policies of insurance obtained and maintained by the Association, or to direct that loss shall be payable in any manner other than as provided in these Bylaws.

9.5 By the Owner. It is acknowledged that the foregoing provisions specify the only insurance required to be obtained and maintained by the Association and that the following insurance shall be obtained and maintained by each Owner, as specified.

9.5.1 Insurance on a Unit shall be purchased and maintained by the Owner of such Unit for the full insurable value thereof. Insurance also shall be purchased for furnishings, fixtures, equipment, decorating and personal property and chattels of the Owner contained within his or her Unit, and his or her personal property and chattels stored elsewhere on the Property, including his or her automobile or automobiles, and for loss of use and occupancy of his or her Unit in the event of damage. Any such policy or policies of insurance shall contain waivers of subrogation against the Association, its manager, agents, employees and servants, and against the other Owners and any members of their households, except for vehicle impact, arson and fraud.

9.5.2 Public liability insurance in the amount reasonably set by the Board of Directors no more often than every three (3) years with respect to a Unit, covering any liability of any Owner to the extent not covered by any public liability and property damage insurance obtained and maintained by the Association, including, without limitation, damages caused by fixtures, equipment, or personal property under the custody, care, or control of the Owner.

9.5.3 Owners shall be responsible for insuring the deductible amount under the Association's policies. The Association shall notify all Owners of the amount of the deductible under the Association policies, and to the extent reasonably practicable, the Association shall give at least 30 days' notice to the Owners of any increase in the deductible proposed in renewal or replacement insurance policies.

9.6 FannieMae and GNMA Requirements. Notwithstanding any other provisions of these Bylaws, 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 FannieMae 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 FannieMae or Government National Mortgage Association. FannieMae or FannieMae's servicer, its successors and assigns, shall be named as a mortgagee in the Association's policies.

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10. AMENDMENTS TO BYLAWS.

10.1 How Proposed. Amendments to the Bylaws shall be proposed by either a majority of the Board of Directors or by the Owners holding at least thirty-three percent (33%) of the voting power of the Association. 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.

10.2 Adoption. A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by a majority of the Owners and may be approved by the Owners at a meeting called for this purpose. Owners not present at the meeting considering such amendment may express their approval in writing or by proxy delivered to the Board of Directors at or prior to such a meeting. Except for correction amendments, which shall be approved as provided in ORS 100.117, any resolution for amending these Bylaws shall be approved by Owners holding at least a majority of the Units, except that any resolution containing an amendment relating to age restrictions, pet restrictions, limitations on the number of persons who may occupy a Unit and limitations on leasing or rental of Units shall be approved by Owners holding at least seventy-five percent (75%) of the voting power of the Association, and except that any provision of these Bylaws that is required to be in the Declaration may be amended only in accordance with the requirements governing amendment of the Declaration. In addition to the foregoing approval requirements, amendment of the following provisions of these Bylaws shall require the prior written approval of at least fifty-one percent (51%) of those holders of first Mortgages on Units (based upon one vote for each first Mortgage held): (i) Section 8, which addresses maintenance and repair; (ii) Section 9, which addresses insurance requirements; and (iii) any other provision of these Bylaws which expressly benefits Mortgagees of Units or insurers or guarantors of such Mortgages. Any approval of a Mortgagee required under this Section 10.2 may be presumed by the Association if the Mortgagee fails to submit a response to a written proposal for an amendment to these Bylaws within sixty (60) days after it receives notice of such proposal by certified or registered mail, return receipt requested.

10.3 Execution and Recording. An amendment shall not be effective until certified by the Chairperson and Secretary of the Association, approved by the Real Estate Commissioner of the State of Oregon if required by law, and recorded in the deed records of Multnomah County, Oregon, as required by law.

11. LITIGATION.

11.1 By Less than All Owners. If any action is brought by one or more but less than all Owners on behalf of the Association and recovery is obtained, the plaintiff's expenses, including reasonable counsel's fees, shall be a common expense; *provided, however*, that if such action is brought against all of the Owners or against the Board of Directors, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Owners, the plaintiff's expenses, including counsel's fees, shall not be charged to or borne by the other Owners, as a common expense or otherwise.

11.2 Complaints Against. Complaints brought against the Association, the Board of Directors or the officers, employees, or agents thereof, in their respective capacities as

such, or against the Property as a whole, shall be directed to the Board of Directors, which shall promptly give written notice thereof to the Owners and any Mortgagees who have requested notice thereof and shall be defended by the Board of Directors, and the Owners and Mortgagees shall have no right to participate other than through the Board of Directors in such defense. One or more Owners shall have the right to enjoin, abate, or remedy by appropriate legal proceedings any failure by the Association or the Board of Directors to comply with the provisions of the Declaration, these Bylaws, or any Rule or Regulation. Complaints against one or more, but less than all of the Owners, shall be directed to such Owners, who shall promptly give written notice thereof to the Board of Directors and to the Mortgagees having an interest in such Units, and shall be defended by such Owners.

12. MISCELLANEOUS.

12.1 Notices. All notices to the Association or to the Board of Directors shall be sent care of the managing agent, or if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time by written notice thereof to each Owner. All notices to any Owner shall be sent to such address as may have been designated by him or her from time to time, in writing, to the Board of Directors, or if no address has been designated, then to the Owner's Unit, except as provided otherwise in this Section 12.1, and shall be sent by messenger service (or hand delivered), over night courier service or by certified or registered U.S. Mail, return receipt requested with charges or postage prepaid. Notices shall be deemed given upon the earlier of actual delivery or refusal of a party to accept delivery thereof.

In the discretion of the Board of Directors, any notice, information or other written material required to be given to an Owner or Director may be given by electronic mail, facsimile or other form of electronic communication ("**Electronic Communication**") acceptable to the Board of Directors. Notwithstanding the foregoing sentence, electronic communication may not be used to give notice (a) failure to pay an assessment; (b) foreclosure of an association lien; (c) An action the Association may take against an Owner; or (d) an offer to use the dispute resolution program under ORS 100.405. An Owner or Director may decline to receive notice by Electronic Communication and may direct the Board of Directors to provide notice as required elsewhere in these Bylaws, the Declaration or the Act.

12.2 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.

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

12.4 Action Without a Meeting. Any action that the Act, the Declaration or the Bylaws require or permit the Board of Directors to take at a meeting may be taken without a

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meeting if a consent in writing setting forth the action so taken is signed by all of the Directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the Board of Directors, shall be filed in the records of minutes of the Association. Votes of the Owners may be conducted by written ballot, in compliance with the procedures set forth in ORS 100.425. For votes of the Owners by written ballot, the Board of Directors shall provide Owners with at least 10 days' notice before written ballots are mailed or otherwise delivered. The notice shall state the general subject matter of the vote by written ballot, the right of Owners to request secrecy procedures specified in ORS 100.425, the date after which ballots may be distributed, the period during which the Association will accept written ballots, the date and time by which any petition must be received by the Board requesting secrecy procedures, and the address where such a petition may be delivered. If, at least three days before written ballots are scheduled to be mailed or otherwise distributed, at least 10 percent of the Owners petition the Board of Directors requesting secrecy procedures, a written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the Owner, and instructions for mailing 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. Notwithstanding the foregoing, a secrecy envelope and signed return identification envelope shall not be required for the written ballot of an Owner whose consent or approval is required by the Declaration, these Bylaws or the Act. Notwithstanding the foregoing, action by written ballot may not substitute for the Turnover Meeting, the annual meeting of the Association, a meeting of the Owners if the agenda includes a proposal to remove a Director from the Board of Directors, or a special meeting called at the request of the Owners pursuant to Section 2.6 of these Bylaws.

12.5 Conflicts: Severability. Each term and provision of these Bylaws shall be valid and enforceable to the fullest extent permitted by law. If any term or provision of these Bylaws or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, whether under ORS Chapter 100 or otherwise, the remainder of these Bylaws and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby. These Bylaws are intended to comply with the Act and the Declaration. In case of any irreconcilable conflict, the Act and the Declaration shall control over these Bylaws, any amendments hereto or any Rules and Regulations adopted hereunder.

12.6 Liability Survives Termination. The sale or other disposition of a Unit shall not relieve or release any former Owner thereof from any liability or obligation incurred or in any way connected to such ownership, nor shall such termination impair any rights or remedies which the Association may have against such former Owner arising out of or in any way connected with such ownership and the covenants and obligations incident thereto.

12.7 Indexing. Whenever any dollar amount is specified in these Bylaws, such amount shall be automatically adjusted each January 1 based upon any changes in the Consumer Price Index - All Items - for all urban consumers published by the U.S. Bureau of Labor Statistics (or any generally accepted substitute for such index, if such index shall be discontinued) using the index for January, 2010 as the base year.

(Remainder of Page Intentionally Left Blank)

Dated this 18 day of November, 2010, being hereby adopted by the Association.

ASSOCIATION: HAMILTON COURT CONDOMINIUMS OWNERS' ASSOCIATION, an Oregon nonprofit corporation

By: [Signature]
Its: Chairperson

CERTIFICATE OF ASSOCIATION

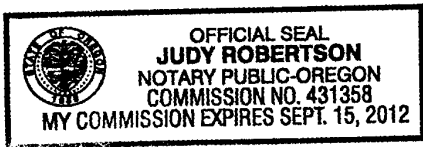
The Chairperson and Secretary of the Hamilton Court Condominiums Owners' Association hereby certify that the foregoing Amended and Restated Bylaws for Hamilton Court Condominiums Owners' Association has been approved by the Association in accordance with Article 11 of the Original Bylaws and ORS 100.410, and may be executed and recorded as set forth in ORS 100.410.

[Signature]
Chairperson of Hamilton Court Condominiums Owners' Association

[Signature]
Secretary of Hamilton Court Condominiums Owners' Association

STATE OF OREGON)
) ss.
County of Multnomah)

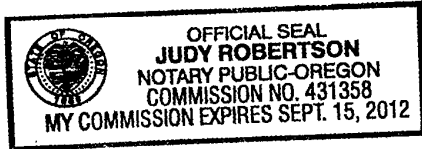
This instrument was acknowledged before me by Robert Hogg, the Chairperson of Hamilton Court Condominiums Owners' Association, an Oregon nonprofit corporation, on behalf of and as the act and deed of said nonprofit corporation, on this 18 day of Nov, 2010.



[Signature]
Notary Public for Oregon
My Commission Expires: 9-15-2012

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me by Nazhat Taj-Schaak, the Secretary of Hamilton Court Condominiums Owners' Association, an Oregon nonprofit corporation, on behalf of and as the act and deed of said nonprofit corporation, on this 18 day of Nov, 2010.



Judy Robertson
Notary Public for Oregon
My Commission Expires: 9-15-2012

After recording, return to:

Robert J Hogg
9220 SW Barbur # 119-140
Portland, OR 97219



\$41.00

06/10/2008 02:32:04 PM

1R-AMDECUO
\$25.00 \$11.00 \$5.00

Cnt=1 Stn=25 ATLJH

Amendment to By Laws and Declarations -

Reference original recording number 99051540

APN Tax number 175128

HAMILTON COURT CONDOMINIUM ASSOCIATION
15 SW HAMILTON COURT
PORTLAND, OR 97239

The following amendment "**Maintenance - Limitations upon improvements**"
has been
added to Hamilton Court Condominium Association's Bylaws and Declarations
by a
majority vote of the unit owners. (see attached amendment).

THIS AMMENDMENT SHALL BE EFFECTIVE IMMEDIATELY

[Handwritten Signature]

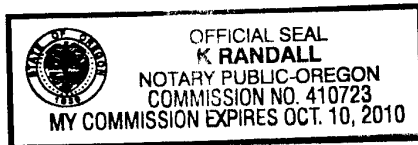
Robert J Hogg, President

On 6-9-, 2008, personally appeared before me the name of Robert J Hogg,
President Hamilton Court Condominium Association, being duly sworn, did say
and acknowledge said instrument to be his voluntary act and deed.

[Handwritten Signature]

Notary Public for Oregon

My commission expires 10-10-10



25-
16

41

RECORDED BY
FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON
1162295-292

[Handwritten mark]

Maintenance – Limitations upon improvements

1. No unit owner shall make any alterations, decorations, repairs, replacements, change or paint, nor place screens or enclosures on the patios, balconies, roof of any common elements or exterior of the Condominium Building without prior written approval of the Association Members. All such requests shall be compatible with the existing structure.
2. No unit owner shall do any work which would affect the safety, soundness or esthetic quality of the building containing his unit or impair any easement.
3. No fence, wall, gate or similar structure may be erected, installed or maintained on the Condominium Property by any person other than the Association except as expressly permitted by this Declaration.
4. Each Unit Owner agrees as follows:
 - a. To maintain in good condition and repair his unit and all interior surfaces within or surrounding his unit (such as the surface of the walls, ceilings, floors and roof) and maintain and repair the fixtures therein and pay for any utilities which are separately metered to his unit.
 - b. Not to make or cause to be made any structural addition, alteration, decoration, repair, replacement or change of the Common Elements or to any outside or exterior of the Condominium Building, including the roof of the individual unit or part of the limited common elements without the prior written consent of the Association.
 - c. To allow the Association the irrevocable right of access to each Unit during reasonable hours when necessary for the maintenance, repair or replacement of the Common Elements, or for making emergency repairs which are necessary to prevent damages to the common elements or to another unit or units.
 - d. To show no sign, advertisements or notices of any type on the common elements, limited common elements or his unit and to erect no exterior antenna or aerials.
 - e. In the event the owner of a unit fails to maintain the said unit and limited common elements, as required herein, the Association or any other Unit owner shall have the right to proceed in a Court of Equity to seek compliance with the provisions hereof.

5. Architectural Improvements / Alterations:

- a. Improvements in General. No "improvement" of any kind shall be commenced, erected or maintained within the properties, nor shall any exterior addition to or change or alteration be made in or to any unit or Common Facility structure containing Units or to any Exclusive Use Common Area until the plans and specifications showing the nature, color, kind, shape, height (including front, side and rear elevations), materials, and location of the same shall have been submitted to and approved in writing by the Association's President (with Members consent) as to quality of workmanship and materials, harmony of external design and location in relation to surrounding structures, setback lines, topography and finish grade elevation.
- b. Submission of plans, action by the President). Plans and specifications for the proposed improvement shall be submitted to the Association President by personal delivery or certified mail. Approval of the President (with Members consent) can contain conditions or requests for modification of particular aspects of the Owner's plan and specifications.
- c. Architectural Rules. The President (with Members consent) may, from time to time, adopt, amend and repeal rules and regulation to the known as "Architectural Rules". Said rules shall interpret and implement the provisions of this declaration by setting forth the standards and procedures for the review and approval of proposal improvements and guidelines for architectural design, placement of any work of improvement or color schemes, exterior finishes and materials and similar features which are recommended for use within the Property, provided that said rules shall not be in derogation of the minimum standards required by this Declaration. In the event of any conflict between the Architectural Rules and this Declaration, the Declaration shall prevail.
- d. Variances. The President (with Members consent) shall be entitled to allow reasonable variances with respect to the Article or any restrictions specified in order to overcome practical difficulties, avoid any unnecessary expense or prevent unnecessary hardships provided that the following conditions are met:
 - i. If the requested variance will necessitate deviation from, or modification of, a property use restriction that would otherwise apply under this Declaration, the President must conduct a hearing on the proposed variance after giving at least 10 days prior written notice to the President and to all Members. Owners shall have 30 days in which to submit to the President written comments or objections with respect to the variance.

The Maintenance and Improvements declaration was approved by all Members of the Association to become part of the Hamilton Court Condo Association bylaws on this date of July 20, 2007:

Unit # 1 Michael Michael Schaal
Sign and print name

Date: 8/10/07

Unit # 2 David S. J. L.
Sign and print name

Date: 7/20/07

Unit # 3 Ally G. Wegg
Sign and print name

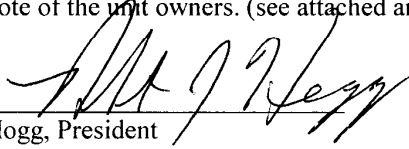
Date: 7/20/07

Unit # 4 Ally G. Wegg
Sign and print name

Date: 7/20/07

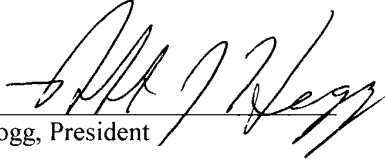
HAMILTON COURT CONDOMINIUM ASSOCIATION
15 SW HAMILTON COURT
PORTLAND, or 97239

The following amendment "**Maintenance – Limitations upon improvements**" has been added to Hamilton Court Condominium Association's Bylaws and Declarations by a majority vote of the unit owners. (see attached amendment).



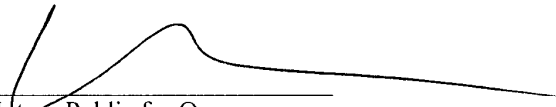
Robert J Hogg, President

The following declaration is ratified and approved, and the undersigned consent to the property being submitted to the provisions of ORS 100.



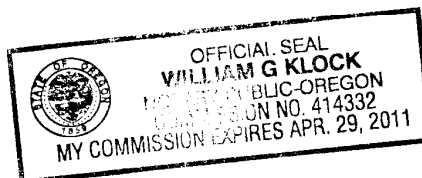
Robert J Hogg, President

On 11/20, 2007, personally appeared before me the name of Robert J Hogg, President, being duly sworn, did say and acknowledge said instrument to be his voluntary act and deed.



Notary Public for Oregon

My commission expires 4/29/11



Recorded in the County of Multnomah, Oregon

Total : C. Swick, Deputy Clerk 44.00

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**HAMILTON COURT CONDOMINIUM ASSOCIATION
15 SW HAMILTON COURT
PORTLAND, OR 97201**

THE FOLLOWING AMENDMENT HAS BEEN ADDED TO HAMILTON COURT CONDOMINIUM ASSOCIATION'S BYLAWS AND DECLARATIONS BY A MAJORITY VOTE OF THE UNIT OWNERS.

*recorded March 12, 1999, as fee number 99051540

NO UNIT OWNER SHALL MAKE ANY ALTERATION, DECORATION, REPAIR, REPLACEMENT, CHANGE OR PAINT, NOR PLACE ANY ANY SCREENS OR OTHER ENCLOSURES ON PATIOS, BALCONIES, ROOF OF ANY COMMON ELEMENTS, LIMITED COMMON ELEMENTS OR EXTERIOR OF THE CONDOMINIUM BUILDING WITHOUT THE PRIOR WRITTEN APPROVAL OF THE ASSOCIATION. ALL SUCH REQUESTS SHALL BE COMPATIBLE WITH EXISTING STRUCTURES.

THIS AMMENDMENT SHALL BE EFFECTIVE IMMEDIATELY.

MARCH 28, 2001


SCOTT A CHILDS PRESIDENT. UNIT OWNER #3


PETER M PERRIN UNIT OWNER #1


BRIAN D AND DELYN SCHULER UNIT OWNRES #2

NOTE: OWNER OF #4 NOT PRESENT BUT AMMENDMENT PASSES BY MAJORIATY PER CONDOMINIUM'S BYLAWS AND DECLARATIONS.

RECORDED BY PACIFIC NW TITLE AS AN ACCOMMODATION ONLY. NO LIABILITY IS ACCEPTED FOR THE CONDITION OF TITLE OR FOR THE VALIDITY SUFFICIENCY, OR EFFECT OF THIS DOCUMENT.

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Ret to Pacific NW Title

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The foregoing declaration is ratified and approved, and the undersigned consent to the property being submitted to the provisions of ORS 100.

Scott A Childs
Scott A Childs- President

On March 29, 2001, personally appeared before me the name of Scott A Childs, Peter M Perrin, Brian D And Delyn A Schuler, who, being duly sworn, did say and acknowledge said instrument to be their voluntary act and deed.



Dori Brewer
Notary Public for Oregon
My commission expires September 18, 2001

Ret:
Peter Perrin
PO Box 82835
Pld 97282

CONDOMINIUM DECLARATION
FOR
HAMILTON COURT CONDOMINIUMS
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Cindy Suick, Deputy Clerk



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CONDOMINIUM DECLARATION

FOR

HAMILTON COURT CONDOMINIUMS

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

RECITAL:

PMP LLC, an Oregon limited liability company ("Declarant"), is the developer of the Real Property described herein below and desires to submit the Real Property to the condominium form of ownership, to be owned, handled and used in the manner provided by the Oregon Condominium Act.

NOW, THEREFORE,

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

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

"Association" shall mean and refer to the Hamilton Court Condominiums Association, which shall be an Oregon nonprofit corporation.

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

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

PAGE 4- DECLARATION

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

2. Real Property Description. The Real Property that is submitted hereunder to the Oregon Condominium Act is described on Exhibit A attached hereto.

3. Name and Unit Description.

3.1 Name. The name by which the Real Property hereunder shall be known is Hamilton Court Condominiums.

3.2 Boundaries of Units. Each Unit shall be bounded by the interior surfaces of its perimeter walls, floors, ceilings, windows and window frames, doors and door frames and trim. The Units shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of its finished surfaces and the exterior surfaces so described. All other portions of the exterior walls, floors or ceilings shall be a part of the common elements. In addition, each Unit shall include the following:

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

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

(c) The garage under the first floor of each Unit.

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

3.3 Building Description and Unit Description. The Real Property has one building thereon in which four Condominium Units are located. The Condominium building, which is three story, wood frame construction on concrete foundations with Hardiplank siding and composition roof, contains four

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

The allocation to each Unit of an undivided interest in the common elements was determined by dividing the number of Units into the number "one." The numerical designation, approximate floor space area and percentage of ownership in common elements of each Unit are as follows:

Unit No.	Approximate Area*	Percentage of Ownership in Common Elements
1	2,057	25%
2	2,040	25%
3	2,040	25%
4	2,070	25%

*Measurements are in square feet and include garages and bonus rooms. Garages and bonus rooms for each unit are approximately 632 square feet.

4. General Common Elements.

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

- (a) The land;
- (b) The foundations, columns, girders, beams, supports, bearing walls, main walls, roofs, exterior stairs, fire escapes, entrances and exits of the building;
- (c) The fencing around the yards and gardens;
- (d) Installations of central services, such as power, light, gas and water, up to the outlets within any Units;
- (e) The fans and, in general, all apparatus and installations existing for common use; and the parking area on the common elements and to use and occupy the sales and/or rental office and models during reasonable hours any day of the week.
- (f) All other elements of any building that are necessary or convenient to its existence, maintenance and safety or that are normally in common use.

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

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

5. Limited Common Elements. The method of designating the limited common elements is by allocating to each Unit one limited common element. The following shall constitute limited common elements, the use of which shall be restricted to the Units to which they pertain:

5.1 Definitions.

(a) Each of the yards is a limited common element appertaining to the Unit which it adjoins as shown on the Plat; the limited common element yards are the yards to the rear of each Unit; and

(b) Each of the balconies is a limited common element appertaining to the Unit which it adjoins as shown on the Plat; the limited common element balconies are the balconies to the front of the first floor of each Unit.

5.2 Maintenance, Repair and Replacement of Limited Common Elements; Liability for Common Expense. The cost of maintenance, repair and replacement of the limited common elements shall be an expense which shall be born solely by the Unit to which the limited common element pertains.

6. Parking. There is parking only in the garage for each Unit. All other parking must be on the surrounding public streets.

7. Voting. The owner or co-owners of each Unit shall be entitled to one (1) vote per Unit. All decisions shall require unanimous agreement or shall be decided by arbitration. The calling and conducting of meetings of the

Association and the exercise of voting rights shall be controlled by Articles 2 and 3 of the Bylaws.

8. Use of Property.

8.1 General. Each Unit shall be used for residential purposes only, except as specifically provided otherwise in this Declaration or in the Bylaws. The common elements shall be used for furnishing of services and facilities to Unit owners. Additional restrictions and regulations shall be set forth in the Bylaws and rules or regulations adopted pursuant to the provisions of the Bylaws or this Declaration.

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

9. Contracts and Leases. All contracts or leases that are entered into before the turnover meeting (including any management contract) shall be terminable without penalty by the Association or the Board of Directors upon not less than thirty (30) days' written notice to the other party by the Association given not later than sixty (60) days after the turnover meeting. Provided, however, that any such contracting or leasing party may request the Association to affirm the continuation of any such agreement for the balance of its stated term. Affirmation by the Association after transfer of control shall extinguish all termination rights of the Association under this Section 9.

10. Bylaws; Association; Management.

10.1 Adoption of Bylaws. On behalf of the Association, the Declarant hereby adopts the Bylaws attached hereto as Exhibit "A" to govern the

administration of the Condominium. The Bylaws shall be effective upon the execution and recording of this Declaration.

10.2 Association; Membership. The name of the Association shall be Hamilton Court Condominiums Association. Each owner of a Unit in the Condominium shall be a member of the Association, and membership therein shall be limited to Unit owners only. The Association, which shall be organized upon the recording of the Declaration and the Bylaws, shall serve as a means through which the Unit owners may take action with regard to the administration, management and operation of the Condominium. The Association shall be an Oregon nonprofit corporation.

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

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

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

10.6 Covenant to Pay Assessments; Liability for Common Expenses. Each owner hereby covenants to pay to the Association annual assessments for common expenses as more fully provided in the Bylaws. No owner may avoid liability for assessments by abandonment of his Unit or non-use of the common elements. Except as otherwise provided in this Declaration or the Bylaws, each Unit and the owner thereof shall be liable for the common expense and the funding of the replacement reserves, both of which shall be apportioned between

the Units in equal proportion. No offset against any assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its duties.

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

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

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

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

(a) Any condemnation loss or casualty loss that affects a material portion of the Condominium or any Unit on which such Mortgagee holds, insures, or guarantees a Mortgage;

(b) Any delinquency remaining uncured for sixty (60) or more days in the payment of assessments or charges owed by an owner of a Unit on which such Mortgagee holds, insures or guarantees a Mortgage;

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

(d) Any proposed action that would require the consent of a specified portion of Mortgagees as set forth in this Section 12.

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

exempt from the restriction that Units cannot be rented for periods of fewer than sixty (60) days.

12.3 Subordination of Association Lien to Mortgage; Discharge of Lien Upon Foreclosure. The lien of the Association shall be subordinate to any first Mortgage and to other liens which have priority pursuant to applicable law except as provided in ORS 100.450. Any Mortgagee that comes into possession of the Unit pursuant to the remedies provided in the Mortgage, by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue before such Mortgagee comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units, including the Mortgaged Unit).

12.4 Professional Management. Upon the written request of the Mortgage holders of at least fifty-one percent (51%) of the first Mortgages on Units in the Condominium, the Board of Directors shall employ a professional manager to manage the affairs of the Association. Without the prior written approval of the holders of fifty-one percent (51%) of the first Mortgages on Units in the Condominium, the Association may not terminate professional management and assume self-management of the Condominium. Additionally, if professional management has previously been required by any Mortgage holder, any such decision to establish self-management shall require prior written consent of the owners of Units to which more than fifty percent (50%) of the votes in the Association are allocated. Any agreement for professional management shall provide that the management contract may be terminated for cause on thirty (30) days' written notice.

12.5 Consent of Mortgagees to Change Percentage Ownership in Common Elements. The Unit owners may not reallocate the percentage of interest in the common elements attributable to any Unit without the prior written approval of holders of fifty-one percent (51%) of the first Mortgages on Units with respect to which the percentage of ownership is proposed to be altered. Nothing in this Section 12.5 shall be construed to give the owners, the Association, or the Board of Directors any specific authority to alter such percentage of ownership and, if any attempt is made to do so, full compliance shall be made with the Declaration, the Association's Articles of Incorporation, Declaration, Bylaws and the Oregon Condominium Act.

12.6 Consent of Mortgagees Required to Terminate Project. Except with respect to termination of the Condominium as a result of destruction, damage or condemnation, any termination of the Condominium shall require the prior written approval of holders of fifty-one percent (51%) of the first Mortgages on Units in the Condominium. Additionally, any such terminations shall be carried

out by the owners pursuant to provisions of the Declaration, the Association's Articles of Incorporation, the Bylaws and the Oregon Condominium Act and shall be carried out only after vote of the owners, as provided in such provisions.

12.7 Limited Right of Amendment. Except upon the approval of Mortgagees that hold fifty-one percent (51%) of the first Mortgages on Units in the Condominium, no amendment that adds to or amends any material provision that establishes, provides for, governs or regulates any of the following may be made to the Declaration or the Bylaws:

- (a) Voting;
- (b) Assessments, assessment liens or subordination of liens;
- (c) Reserves for maintenance, repair and replacement of the common elements (or Units, if applicable);
- (d) Insurance or fidelity bonds;
- (e) Rights to use of the common elements;
- (f) Responsibility for maintenance and repair of the several portions of the Condominium;
- (g) Expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;
- (h) Boundaries of any Unit;
- (i) Interests in the general or limited common elements;
- (j) Convertibility of Units into common elements or of common elements into Units;
- (k) Leasing of Units;
- (l) Imposition of any right of first refusal or similar restriction on the right of a Unit owner to sell, transfer or otherwise convey his or her Unit; and
- (m) Any provisions that are for the express benefit of Mortgagees,

The provisions of this Section 12.7 are intended to limit only the right of the Unit owners, the Board of Directors and the Association to amend the Declaration and the Bylaws, and are not intended to give any such parties any specific rights to effect any amendments. Any amendments to the Declaration or the Bylaws

shall be made only upon full compliance with the provisions of the Declaration, the Bylaws and the Oregon Condominium Act relating to the procedure and percentage of votes required for such amendment. An addition or amendment to the Declaration or the Bylaws shall not be considered to be material so as to require the consent or approval of Mortgagees if its purpose is to correct technical errors or to clarify.

12.8 Request for Approval of Mortgagees. Any Mortgagee that receives a written request to approve additions or amendments to the Declaration or the Bylaws, or any other action to be taken by the Board of Directors, the Association or Unit owners shall be considered to have given such approval unless such Mortgagee delivers or posts a negative response within thirty (30) days after receipt of such request.

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

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

12.11 Right to Receive Annual Reports. The holders of at least fifty-one percent (51%) of the Mortgages on Units in the Condominium shall be entitled to have an audited financial statement prepared at their expense if such statement is not otherwise available. The Association and its officers, directors and manager (if any), shall cooperate with such Mortgage holders and their auditors to facilitate the necessary auditing and review process. Such financial statement shall be furnished within a reasonable time following written request, and copies thereof shall be served by mail on all Unit owners.

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

12.13 List of Mortgagees. The Association shall maintain a list of Unit Mortgagees, provided to the Association by the owners, which list shall include their names, addresses, the Units and mortgagors affected, and the matters with respect to which such Mortgages have requested notice, provided that such information has been furnished to the Association by the owners or their Mortgagees.

13. Amendments to Declaration. Except where a larger percentage of approval is required by law, this Declaration may be amended from time to time by approval of Unit owners holding seventy-five percent (75%) or more of the voting rights as otherwise set forth in this Declaration. Provided, however, that this Declaration shall not be amended to reduce or eliminate the rights of any Mortgagee without all such Mortgagees' prior written consent.

13.1 Declarant's Approval Required. Declarant's prior written consent shall be required for any amendment to this Declaration until the earlier of the following dates: the date on which more than seventy-five percent (75%) of the Units in the Condominium have been conveyed to owners other than the Declarant and the date on which three (3) years have elapsed since the first conveyance of a Unit in the Condominium. Provided, however, that even thereafter, no amendment may limit or reduce any of the Declarant's special rights, whether reserved herein or otherwise provided by law. No amendment may change the size, location, percentage of interest in the common elements, method of determining liability for common expense, right to common profits or voting power of any Unit(s) unless such amendment has been approved by the owners and the Mortgagees of the affected Unit(s).

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

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

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

15.1 General. The Association shall have the authority to execute, acknowledge, deliver and record easements, rights-of-way, licenses and other similar interests affecting the general common elements on behalf of Unit owners, provided that the granting of any such interest has been approved by at least seventy-five percent (75%) of the Unit owners. An instrument granting any such interest shall be executed by the Chairman and Secretary of the Association, shall be acknowledged in the manner provided for acknowledgment

of such instruments by such officers, and shall state that such grant was approved by at least seventy-five percent (75%) of the Unit owners.

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

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

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

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

16.3 No Capital Assessments Without Consent. Neither the Association nor the Board of Directors shall make any assessments for new construction, acquisition, capital improvements or otherwise without the prior written consent of the Declarant, as long as the Declarant owns the greater of one (1) Unit or twenty-five percent (25 %) of the total number of Units in the Condominium. Nothing contained in this Section 16.3 shall be construed to limit Declarant's obligation to pay assessments for common expenses on Units owned by the Declarant pursuant to requirements of the Oregon Condominium Act.

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

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

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

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

16.8 Expiration of Declarant's Special Rights. Unless otherwise provided, the Declarant's special rights, as reserved in this Section 16, shall expire upon the conveyance by the Declarant of the last Unit owned by the Declarant or three (3) years after the first conveyance of a Unit in the Condominium, whichever is earlier.

17. General Provisions.

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

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

17.3 Waiver of Rights. The failure of the Association, the Board of Directors, an officer or a Unit owner to enforce any right, provision, covenant or condition provided in the Declaration, Articles of Incorporation, the Bylaws or applicable law shall not constitute a waiver of the right of any such party to enforce such right, provision, covenant or condition in the future, and any such party's enforcement of or failure to enforce any such right, provision, covenant or condition in one or more instances does not require the same action in another instance and does not create any kind of estoppel or give rise to any other rights.

17.4 Legal Proceedings. Failure to comply with any of the terms of the Declaration, Articles of Incorporation, the Bylaws, any rules or regulations adopted thereunder or applicable law shall be grounds for relief, which may include, without limitation, fining the noncomplying owner, bringing suit or action to recover money due, damages or for injunctive relief, or an action to foreclose a lien, or any combination thereof. Relief may be sought by the Association, Board of Directors, an officer, a professional manager or management firm, or, if appropriate, by an aggrieved Unit owner. Any party to a dispute or disagreement regarding any association matter or issue between owners may request mediation prior to or after suit is filed or arbitration commenced. Upon agreement of the parties, any dispute may be submitted to arbitration under the rules proposed by the arbitrator selected. It is the intent of the forgoing sentence to encourage, but not mandate, mediation and arbitration.

17.5 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit owner to comply with the terms and provisions of this Declaration (as amended or supplemented), the Bylaws (as amended), Articles of Incorporation, rules and regulations adopted under the Bylaws, or the Oregon Condominium Act, the prevailing party shall be entitled to recover the cost of the proceedings and reasonable attorneys' fees in any arbitration, suit, action and/or bankruptcy proceeding, including all appeals. In addition, the Association shall be entitled to recover costs and attorneys' fees incurred by it to collect delinquent assessments or fines, or to enforce the terms of the Declaration, Bylaws or any rules or regulations promulgated thereunder, whether or not any collection or foreclosure action or suit is filed.

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

17.7 Conflicting Provisions. In the event of a conflict between or among the provisions of the Declaration, the Articles of Incorporation of the Association, the Bylaws and any administrative rules and regulations, the provisions of the Declaration shall be paramount to those of the Bylaws and the rules and regulations and those of the Articles of Incorporation shall be paramount to those of the Bylaws and the Bylaws shall be paramount to the rules and regulations. For purposes of this Section 17.7, the term "Declaration" shall include all amendments to this Declaration and the term "Bylaws" shall include all amendments to the Bylaws.

17.8 Section and Paragraph Captions. Section and paragraph captions shall not be deemed to be a part of this Declaration unless the context otherwise

requires. In construing this Declaration, if the context so requires, the singular shall be taken to mean and to include the plural, the masculine shall be taken to mean and to include the feminine and the neuter and, generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to individuals, trusts, estates, personal representatives, trustees and corporations.

The undersigned Declarant of the subject property has caused this Declaration to be executed this 28th day of February, 1999.

PMP LLC

By: 

Peter M. Perrin, Member

STATE OF OREGON)
)ss.
County of Multnomah)

On 2-28-99, 1999, personally appeared before me the above-named Peter M. Perrin, who, being duly sworn, did say that he is a member of the Declarant of Hamilton Court Condominiums and that said instrument was signed on behalf of said limited liability company by authority of all of its members; and he acknowledged said instrument to be its voluntary act and deed.




Notary Public for Oregon
My commission expires: 2/21/01

The foregoing Declaration is approved pursuant to ORS 100.110 on this 10th day of March, 1999 and, in accordance with ORS 100.110(7), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this date.

SCOTT TAYLOR
Real Estate Commissioner

By: 
Marge Robinson

The foregoing Declaration is approved pursuant to ORS 100.110 this
12 day of MARCH, 1999.

COUNTY ASSESSOR

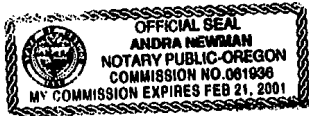
By: 

The foregoing declaration is ratified and approved, and the undersigned
consent to the property being submitted to the provisions of ORS Chapter 100.


KELLY WOOD, Owner


PETER M. PERRIN, Owner

On 2-28-99, 1999, personally appeared before me the
above named Kelly Wood and Peter M. Perrin, who, being duly sworn, did say
and acknowledge said instrument to be their voluntary act and deed.




Notary Public for Oregon

My commission expires: 2-21-01

LEGAL DESCRIPTION

That portion of Parcel 2, PARTITION PLAT NO. 1998-74, a plat of record situated in the Northwest one-quarter of Section 15, Township 1 South, Range 1 East of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, described as follows:

Beginning at said initial point; thence along the East line of said Parcel 2, South 00° 00' 00" East 69.95 feet to the Southeast corner of said Parcel 2; thence along the South line of said Parcel 2, North 90° 00' 00" West, 108.00 feet to the Southwest corner of said Parcel 2; thence along the West line of said Parcel 2, North 00° 00' 00" East, 19.95 feet to an angle point therein; thence along said West line, North 90° 00' 00" East, 10.00 feet to an angle point therein; thence along the West line of said Parcel 2, North 00° 00' 00" East, 50.00 feet to the Northwest corner of said Parcel 2; thence along the North line of said Parcel 2, North 90° 00' 00" East, 98.00 feet to the point of beginning.

When Recorded Mail To:

Rebecca Biermann Tom
Barg Tom PC
121 SW Morrison St. Ste 600
Portland, OR 97204

Multnomah County Official Records
C Swick, Deputy Clerk

2010-138577



\$255.00

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11/02/2010 02:50:34 PM

1R-DECLAR
\$255.00

Cnt=1 Str=11 RECCASH2

CONDOMINIUM DECLARATION FOR HAMILTON COURT CONDOMINIUMS

Document Title

This document is being re-recorded at the request of the condominium unit owners to include an exhibit that was missing from the Declaration. The Declaration was previously recorded as Fee Number 99-051540.

51

Ret:
Peter Perrin
PO Box 82835
PHD 97282

CONDOMINIUM DECLARATION
FOR
HAMILTON COURT CONDOMINIUMS
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Recorded in the County of Multnomah, Oregon
Cindy Swick, Deputy Clerk



103.00

09051540 5:00PM 03/12/99

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CONDOMINIUM DECLARATION
FOR
HAMILTON COURT CONDOMINIUMS

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

RECITAL:

PMP LLC, an Oregon limited liability company ("Declarant"), is the developer of the Real Property described herein below and desires to submit the Real Property to the condominium form of ownership, to be owned, handled and used in the manner provided by the Oregon Condominium Act.

NOW, THEREFORE,

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

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

"Association" shall mean and refer to the Hamilton Court Condominiums Association, which shall be an Oregon nonprofit corporation.

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

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

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

2. Real Property Description. The Real Property that is submitted hereunder to the Oregon Condominium Act is described on Exhibit A attached hereto.

3. Name and Unit Description.

3.1 Name. The name by which the Real Property hereunder shall be known is Hamilton Court Condominiums.

3.2 Boundaries of Units. Each Unit shall be bounded by the interior surfaces of its perimeter walls, floors, ceilings, windows and window frames, doors and door frames and trim. The Units shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of its finished surfaces and the exterior surfaces so described. All other portions of the exterior walls, floors or ceilings shall be a part of the common elements. In addition, each Unit shall include the following:

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

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

(c) The garage under the first floor of each Unit.

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

3.3 Building Description and Unit Description. The Real Property has one building thereon in which four Condominium Units are located. The Condominium building, which is three story, wood frame construction on concrete foundations with Hardiplank siding and composition roof, contains four

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

The allocation to each Unit of an undivided interest in the common elements was determined by dividing the number of Units into the number "one." The numerical designation, approximate floor space area and percentage of ownership in common elements of each Unit are as follows:

Unit No.	Approximate Area*	Percentage of Ownership in Common Elements
1	2,057	25%
2	2,040	25%
3	2,040	25%
4	2,070	25%

*Measurements are in square feet and include garages and bonus rooms. Garages and bonus rooms for each unit are approximately 632 square feet.

4. General Common Elements.

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

- (a) The land;
- (b) The foundations, columns, girders, beams, supports, bearing walls, main walls, roofs, exterior stairs, fire escapes, entrances and exits of the building;
- (c) The fencing around the yards and gardens;
- (d) Installations of central services, such as power, light, gas and water, up to the outlets within any Units;
- (e) The fans and, in general, all apparatus and installations existing for common use; and the parking area on the common elements and to use and occupy the sales and/or rental office and models during reasonable hours any day of the week.
- (f) All other elements of any building that are necessary or convenient to its existence, maintenance and safety or that are normally in common use.

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

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

5. Limited Common Elements. The method of designating the limited common elements is by allocating to each Unit one limited common element. The following shall constitute limited common elements, the use of which shall be restricted to the Units to which they pertain:

5.1 Definitions.

(a) Each of the yards is a limited common element appertaining to the Unit which it adjoins as shown on the Plat; the limited common element yards are the yards to the rear of each Unit; and

(b) Each of the balconies is a limited common element appertaining to the Unit which it adjoins as shown on the Plat; the limited common element balconies are the balconies to the front of the first floor of each Unit.

5.2 Maintenance, Repair and Replacement of Limited Common Elements; Liability for Common Expense. The cost of maintenance, repair and replacement of the limited common elements shall be an expense which shall be born solely by the Unit to which the limited common element pertains.

6. Parking. There is parking only in the garage for each Unit. All other parking must be on the surrounding public streets.

7. Voting. The owner or co-owners of each Unit shall be entitled to one (1) vote per Unit. All decisions shall require unanimous agreement or shall be decided by arbitration. The calling and conducting of meetings of the

Association and the exercise of voting rights shall be controlled by Articles 2 and 3 of the Bylaws.

8. Use of Property.

8.1 General. Each Unit shall be used for residential purposes only, except as specifically provided otherwise in this Declaration or in the Bylaws. The common elements shall be used for furnishing of services and facilities to Unit owners. Additional restrictions and regulations shall be set forth in the Bylaws and rules or regulations adopted pursuant to the provisions of the Bylaws or this Declaration.

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

9. Contracts and Leases. All contracts or leases that are entered into before the turnover meeting (including any management contract) shall be terminable without penalty by the Association or the Board of Directors upon not less than thirty (30) days' written notice to the other party by the Association given not later than sixty (60) days after the turnover meeting. Provided, however, that any such contracting or leasing party may request the Association to affirm the continuation of any such agreement for the balance of its stated term. Affirmation by the Association after transfer of control shall extinguish all termination rights of the Association under this Section 9.

10. Bylaws; Association; Management.

10.1 Adoption of Bylaws. On behalf of the Association, the Declarant hereby adopts the Bylaws attached hereto as Exhibit "A" to govern the

administration of the Condominium. The Bylaws shall be effective upon the execution and recording of this Declaration.

10.2 Association; Membership. The name of the Association shall be Hamilton Court Condominiums Association. Each owner of a Unit in the Condominium shall be a member of the Association, and membership therein shall be limited to Unit owners only. The Association, which shall be organized upon the recording of the Declaration and the Bylaws, shall serve as a means through which the Unit owners may take action with regard to the administration, management and operation of the Condominium. The Association shall be an Oregon nonprofit corporation.

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

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

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

10.6 Covenant to Pay Assessments; Liability for Common Expenses. Each owner hereby covenants to pay to the Association annual assessments for common expenses as more fully provided in the Bylaws. No owner may avoid liability for assessments by abandonment of his Unit or non-use of the common elements. Except as otherwise provided in this Declaration or the Bylaws, each Unit and the owner thereof shall be liable for the common expense and the funding of the replacement reserves, both of which shall be apportioned between

the Units in equal proportion. No offset against any assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its duties.

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

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

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

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

(a) Any condemnation loss or casualty loss that affects a material portion of the Condominium or any Unit on which such Mortgagee holds, insures, or guarantees a Mortgage;

(b) Any delinquency remaining uncured for sixty (60) or more days in the payment of assessments or charges owed by an owner of a Unit on which such Mortgagee holds, insures or guarantees a Mortgage;

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

(d) Any proposed action that would require the consent of a specified portion of Mortgagees as set forth in this Section 12.

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

exempt from the restriction that Units cannot be rented for periods of fewer than sixty (60) days.

12.3 Subordination of Association Lien to Mortgage; Discharge of Lien Upon Foreclosure. The lien of the Association shall be subordinate to any first Mortgage and to other liens which have priority pursuant to applicable law except as provided in ORS 100.450. Any Mortgagee that comes into possession of the Unit pursuant to the remedies provided in the Mortgage, by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrue before such Mortgagee comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Units, including the Mortgaged Unit).

12.4 Professional Management. Upon the written request of the Mortgage holders of at least fifty-one percent (51%) of the first Mortgages on Units in the Condominium, the Board of Directors shall employ a professional manager to manage the affairs of the Association. Without the prior written approval of the holders of fifty-one percent (51%) of the first Mortgages on Units in the Condominium, the Association may not terminate professional management and assume self-management of the Condominium. Additionally, if professional management has previously been required by any Mortgage holder, any such decision to establish self-management shall require prior written consent of the owners of Units to which more than fifty percent (50%) of the votes in the Association are allocated. Any agreement for professional management shall provide that the management contract may be terminated for cause on thirty (30) days' written notice.

12.5 Consent of Mortgagees to Change Percentage Ownership in Common Elements. The Unit owners may not reallocate the percentage of interest in the common elements attributable to any Unit without the prior written approval of holders of fifty-one percent (51%) of the first Mortgages on Units with respect to which the percentage of ownership is proposed to be altered. Nothing in this Section 12.5 shall be construed to give the owners, the Association, or the Board of Directors any specific authority to alter such percentage of ownership and, if any attempt is made to do so, full compliance shall be made with the Declaration, the Association's Articles of Incorporation, Declaration, Bylaws and the Oregon Condominium Act.

12.6 Consent of Mortgagees Required to Terminate Project. Except with respect to termination of the Condominium as a result of destruction, damage or condemnation, any termination of the Condominium shall require the prior written approval of holders of fifty-one percent (51%) of the first Mortgages on Units in the Condominium. Additionally, any such terminations shall be carried

out by the owners pursuant to provisions of the Declaration, the Association's Articles of Incorporation, the Bylaws and the Oregon Condominium Act and shall be carried out only after vote of the owners, as provided in such provisions.

12.7 Limited Right of Amendment. Except upon the approval of Mortgagees that hold fifty-one percent (51%) of the first Mortgages on Units in the Condominium, no amendment that adds to or amends any material provision that establishes, provides for, governs or regulates any of the following may be made to the Declaration or the Bylaws:

- (a) Voting;
- (b) Assessments, assessment liens or subordination of liens;
- (c) Reserves for maintenance, repair and replacement of the common elements (or Units, if applicable);
- (d) Insurance or fidelity bonds;
- (e) Rights to use of the common elements;
- (f) Responsibility for maintenance and repair of the several portions of the Condominium;
- (g) Expansion or contraction of the Condominium, or the addition, annexation or withdrawal of property to or from the Condominium;
- (h) Boundaries of any Unit;
- (i) Interests in the general or limited common elements;
- (j) Convertibility of Units into common elements or of common elements into Units;
- (k) Leasing of Units;
- (l) Imposition of any right of first refusal or similar restriction on the right of a Unit owner to sell, transfer or otherwise convey his or her Unit; and
- (m) Any provisions that are for the express benefit of Mortgagees,

The provisions of this Section 12.7 are intended to limit only the right of the Unit owners, the Board of Directors and the Association to amend the Declaration and the Bylaws, and are not intended to give any such parties any specific rights to effect any amendments. Any amendments to the Declaration or the Bylaws

shall be made only upon full compliance with the provisions of the Declaration, the Bylaws and the Oregon Condominium Act relating to the procedure and percentage of votes required for such amendment. An addition or amendment to the Declaration or the Bylaws shall not be considered to be material so as to require the consent or approval of Mortgagees if its purpose is to correct technical errors or to clarify.

12.8 Request for Approval of Mortgagees. Any Mortgagee that receives a written request to approve additions or amendments to the Declaration or the Bylaws, or any other action to be taken by the Board of Directors, the Association or Unit owners shall be considered to have given such approval unless such Mortgagee delivers or posts a negative response within thirty (30) days after receipt of such request.

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

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

12.11 Right to Receive Annual Reports. The holders of at least fifty-one percent (51%) of the Mortgages on Units in the Condominium shall be entitled to have an audited financial statement prepared at their expense if such statement is not otherwise available. The Association and its officers, directors and manager (if any), shall cooperate with such Mortgage holders and their auditors to facilitate the necessary auditing and review process. Such financial statement shall be furnished within a reasonable time following written request, and copies thereof shall be served by mail on all Unit owners.

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

12.13 List of Mortgagees. The Association shall maintain a list of Unit Mortgagees, provided to the Association by the owners, which list shall include their names, addresses, the Units and mortgagors affected, and the matters with respect to which such Mortgages have requested notice, provided that such information has been furnished to the Association by the owners or their Mortgagees.

13. Amendments to Declaration. Except where a larger percentage of approval is required by law, this Declaration may be amended from time to time by approval of Unit owners holding seventy-five percent (75%) or more of the voting rights as otherwise set forth in this Declaration. Provided, however, that this Declaration shall not be amended to reduce or eliminate the rights of any Mortgagee without all such Mortgagees' prior written consent.

13.1 Declarant's Approval Required. Declarant's prior written consent shall be required for any amendment to this Declaration until the earlier of the following dates: the date on which more than seventy-five percent (75%) of the Units in the Condominium have been conveyed to owners other than the Declarant and the date on which three (3) years have elapsed since the first conveyance of a Unit in the Condominium. Provided, however, that even thereafter, no amendment may limit or reduce any of the Declarant's special rights, whether reserved herein or otherwise provided by law. No amendment may change the size, location, percentage of interest in the common elements, method of determining liability for common expense, right to common profits or voting power of any Unit(s) unless such amendment has been approved by the owners and the Mortgagees of the affected Unit(s).

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

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

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

15.1 General. The Association shall have the authority to execute, acknowledge, deliver and record easements, rights-of-way, licenses and other similar interests affecting the general common elements on behalf of Unit owners, provided that the granting of any such interest has been approved by at least seventy-five percent (75%) of the Unit owners. An instrument granting any such interest shall be executed by the Chairman and Secretary of the Association, shall be acknowledged in the manner provided for acknowledgment

of such instruments by such officers, and shall state that such grant was approved by at least seventy-five percent (75%) of the Unit owners.

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

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

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

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

16.3 No Capital Assessments Without Consent. Neither the Association nor the Board of Directors shall make any assessments for new construction, acquisition, capital improvements or otherwise without the prior written consent of the Declarant, as long as the Declarant owns the greater of one (1) Unit or twenty-five percent (25 %) of the total number of Units in the Condominium. Nothing contained in this Section 16.3 shall be construed to limit Declarant's obligation to pay assessments for common expenses on Units owned by the Declarant pursuant to requirements of the Oregon Condominium Act.

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

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

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

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

16.8 Expiration of Declarant's Special Rights. Unless otherwise provided, the Declarant's special rights, as reserved in this Section 16, shall expire upon the conveyance by the Declarant of the last Unit owned by the Declarant or three (3) years after the first conveyance of a Unit in the Condominium, whichever is earlier.

17. General Provisions.

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

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

17.3 Waiver of Rights. The failure of the Association, the Board of Directors, an officer or a Unit owner to enforce any right, provision, covenant or condition provided in the Declaration, Articles of Incorporation, the Bylaws or applicable law shall not constitute a waiver of the right of any such party to enforce such right, provision, covenant or condition in the future, and any such party's enforcement of or failure to enforce any such right, provision, covenant or condition in one or more instances does not require the same action in another instance and does not create any kind of estoppel or give rise to any other rights.

17.4 Legal Proceedings. Failure to comply with any of the terms of the Declaration, Articles of Incorporation, the Bylaws, any rules or regulations adopted thereunder or applicable law shall be grounds for relief, which may include, without limitation, fining the noncomplying owner, bringing suit or action to recover money due, damages or for injunctive relief, or an action to foreclose a lien, or any combination thereof. Relief may be sought by the Association, Board of Directors, an officer, a professional manager or management firm, or, if appropriate, by an aggrieved Unit owner. Any party to a dispute or disagreement regarding any association matter or issue between owners may request mediation prior to or after suit is filed or arbitration commenced. Upon agreement of the parties, any dispute may be submitted to arbitration under the rules proposed by the arbitrator selected. It is the intent of the forgoing sentence to encourage, but not mandate, mediation and arbitration.

17.5 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit owner to comply with the terms and provisions of this Declaration (as amended or supplemented), the Bylaws (as amended), Articles of Incorporation, rules and regulations adopted under the Bylaws, or the Oregon Condominium Act, the prevailing party shall be entitled to recover the cost of the proceedings and reasonable attorneys' fees in any arbitration, suit, action and/or bankruptcy proceeding, including all appeals. In addition, the Association shall be entitled to recover costs and attorneys' fees incurred by it to collect delinquent assessments or fines, or to enforce the terms of the Declaration, Bylaws or any rules or regulations promulgated thereunder, whether or not any collection or foreclosure action or suit is filed.

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

17.7 Conflicting Provisions. In the event of a conflict between or among the provisions of the Declaration, the Articles of Incorporation of the Association, the Bylaws and any administrative rules and regulations, the provisions of the Declaration shall be paramount to those of the Bylaws and the rules and regulations and those of the Articles of Incorporation shall be paramount to those of the Bylaws and the Bylaws shall be paramount to the rules and regulations. For purposes of this Section 17.7, the term "Declaration" shall include all amendments to this Declaration and the term "Bylaws" shall include all amendments to the Bylaws.

17.8 Section and Paragraph Captions. Section and paragraph captions shall not be deemed to be a part of this Declaration unless the context otherwise

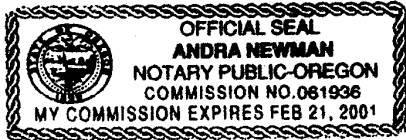
requires. In construing this Declaration, if the context so requires, the singular shall be taken to mean and to include the plural, the masculine shall be taken to mean and to include the feminine and the neuter and, generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to individuals, trusts, estates, personal representatives, trustees and corporations.

The undersigned Declarant of the subject property has caused this Declaration to be executed this 28th day of February, 1999.

PMP LLC
By: [Signature]
Peter M. Perrin, Member

STATE OF OREGON)
County of Multnomah) ss.
)

On 2-28-99, 1999, personally appeared before me the above-named Peter M. Perrin, who, being duly sworn, did say that he is a member of the Declarant of Hamilton Court Condominiums and that said instrument was signed on behalf of said limited liability company by authority of all of its members; and he acknowledged said instrument to be its voluntary act and deed.



[Signature]
Notary Public for Oregon
My commission expires: 2-21-01

The foregoing Declaration is approved pursuant to ORS 100.110 on this 10th day of March, 1999 and, in accordance with ORS 100.110(7), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this date.

SCOTT TAYLOR
Real Estate Commissioner

By: [Signature]
Marge Robinson

The foregoing Declaration is approved pursuant to ORS 100.110 this
12 day of MARCH, 1999.

COUNTY ASSESSOR

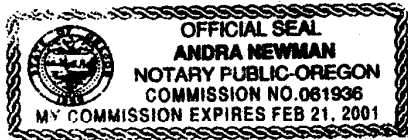
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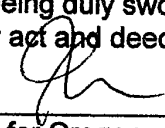
The foregoing declaration is ratified and approved, and the undersigned
consent to the property being submitted to the provisions of ORS Chapter 100.


KELLY WOOD, Owner


PETER M. PERRIN, Owner

On 2-28-99, 1999, personally appeared before me the
above named Kelly Wood and Peter M. Perrin, who, being duly sworn, did say
and acknowledge said instrument to be their voluntary act and deed.



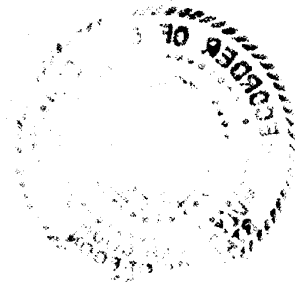

Notary Public for Oregon

My commission expires: 2-21-01

LEGAL DESCRIPTION

That portion of Parcel 2, PARTITION PLAT NO. 1998-74, a plat of record situated in the Northwest one-quarter of Section 15, Township 1 South, Range 1 East of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, described as follows:

Beginning at said initial point; thence along the East line of said Parcel 2, South 00° 00' 00" East 69.95 feet to the Southeast corner of said Parcel 2; thence along the South line of said Parcel 2, North 90° 00' 00" West, 108.00 feet to the Southwest corner of said Parcel 2; thence along the West line of said Parcel 2, North 00° 00' 00" East, 19.95 feet to an angle point therein; thence along said West line, North 90° 00' 00" East, 10.00 feet to an angle point therein; thence along the West line of said Parcel 2, North 00° 00' 00" East, 50.00 feet to the Northwest corner of said Parcel 2; thence along the North line of said Parcel 2, North 90° 00' 00" East, 98.00 feet to the point of beginning.





STATE OF OREGON }
COUNTY OF MULTNOMAH } SS

I do hereby certify that the foregoing copy
of Condominium Declaration
for Hamilton Court Condominiums
has been by me compared with the original,
and that it is a correct transcript therefrom,
and the whole of such original, as the name
appears on file and of record in our office and
in our care and custody. IN TESTIMONY
WHEREOF, I have hereunto set my hand and
affixed our seal this

21st day of October, 2010

Vol/Page: 99-051540

Recorded: 03/12/1999

MULTNOMAH COUNTY RECORDING DEPT.

BY: [Signature]
DEPUTY

BYLAWS
OF
HAMILTON COURT CONDOMINIUMS

Exhibit "B" to HAMILTON COURT Condominiums Declaration
("the Declaration")

ARTICLE I

PLAN OF UNIT OWNERSHIP

1.1 Unit Ownership. The condominium, located in the City of Portland, County of Multnomah, State of Oregon, known as Hamilton Court Condominiums, is submitted to the provisions of Oregon Revised Statutes, Sections 100.005 et seq., the Oregon Condominium Act by the Declaration and these Bylaws.

1.2 Bylaws Applicability. The provisions of these Bylaws are applicable to the Hamilton Court Condominiums Association ("Association") and the entire management structure thereof. (The term "Condominium" as used herein shall include the land.)

1.3 Personal Application. All present or future owners, tenants, future tenants or their employees, or any other person that might use the facilities of the Condominium in any manner, are subject to the regulations set forth in these Bylaws. The acquisition, occupancy or rental of any of the Units of the 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.

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

ARTICLE 2

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

2.1 Membership in the Association. Upon recordation of a conveyance or contract to convey a Unit, the grantee or purchaser named in such conveyance

or contract shall automatically be a member of the Association and shall remain a member of the Association until such person's ownership ceases for any reason. For all purposes of the Declaration and the administration of the 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 Unit, to which shall be affixed the certificate of the recording officer of the County of Multnomah, Oregon, showing the date and place of recording of such deed or contract. No person shall be recognized as a Unit owner unless a copy of the deed or contract showing him to be the current owner or contract purchaser of a Unit has been filed with the Association as provided above. Notwithstanding the foregoing, the Declarant shall be the owner of all previously unsold Units, although no deed or land sale contract, with respect to such Units, has been filed with the Association.

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

2.3 Quorum. The presence at a meeting or vote by proxy or written ballot by not less than three owners shall be necessary to constitute a quorum.

2.4 Proxies; Ballots. Votes may be cast in person, by proxy or by written ballot. Proxies must be filed with the secretary of the Association ("Secretary") before or during the appointed meeting. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. In the sole discretion of the Board of Directors, a meeting of the Association may be held by ballot rather than at a formal gathering. Ballots for such meeting must be properly executed and returned in sufficient quantity to constitute a quorum and/or to pass the proposal(s) specifically propounded on the ballot. Unless withdrawn, a proxy given to another person to vote at a specific meeting also shall be valid at an adjourned meeting called under the provisions of Section 3.7 hereof.

2.5 Authority to Vote. All owners, including those who have leased their premises to a third party, shall be entitled to vote. An owner's right to vote may not be revoked. A purchaser under a land sale contract who is entitled to immediate possession of the Unit shall be deemed to be the owner thereof, unless otherwise provided in such contract.

2.6 Fiduciaries and Joint Owners. An executor, administrator, guardian or trustee may vote, in person, by proxy or by ballot, at any meeting of the Association with respect to any Unit owned or held by him in such capacity, whether or not the same shall have been transferred to his name; provided, that he shall satisfy the Secretary that he is the executor, administrator, guardian or trustee, holding such Unit in such capacity. Whenever any Unit is owned by two

(2) or more persons jointly according to the records of the Association, the vote of such Unit may be exercised by any one (1) of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of such disagreement and such protest, the vote of such Unit shall be counted for purposes of determining a quorum but shall be disregarded completely in determining the proportion of votes given with respect to such matter.

2.7 Actions by Association; Legal Meeting. Except as otherwise provided in the Declaration, the Articles of Incorporation, these Bylaws, the Oregon Condominium Act or the Oregon Nonprofit Corporation Act, decisions and resolutions of the Association shall require approval by a majority of owners present at a meeting in person or by proxy, or voting by ballot.

ARTICLE 3

ADMINISTRATION

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

3.2 Place of Meetings. Formal meetings of the Association shall be held at the principal office of the Condominium or such other place that is convenient to the owners as may be designated by the Board of Directors. The outcome of a ballot meeting shall be determined by the Board of Directors within forty-eight (48) hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within forty-eight (48) hours of the postponed date. Each Unit owner shall be notified within ten (10) days after the ballots have been counted, by mail or other delivery of written notice, of the results of the ballot meeting or that a quorum of ballots was not returned.

3.3 Turnover Meeting. The turnover meeting (which shall constitute the initial organizational meeting) shall be held within ninety (90) days after the earlier of the following: the date on which seventy-five percent (75%) of the Units that the Declarant has reserved the right to create have been conveyed to persons other than the Declarant or the date on which three (3) years have elapsed since the first conveyance of a Unit to someone other than the Declarant. The turnover meeting shall be called by notice to all Unit owners of the time, place and purpose thereof not less than seven (7), but not more than fifty (50), days before the meeting. If such meeting is not called by the Declarant

within the time specified, the meeting may be called and notice given by a Unit owner.

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

3.4 Annual Meetings. The first annual meeting of the Association shall be held during the calendar year following the calendar year during which the turnover meeting is held, and its date shall be set by action of the Board of Directors. This meeting, the date of which may be changed from time to time, at the discretion of the Board of Directors, must be held annually under the rules and regulations as set out in these Bylaws. At such meetings, new members of the Board of Directors shall be elected by the owners in accordance with the requirements of Sections 4.6 and 4.7 of these Bylaws, to replace those directors whose terms have expired. The owners may also transact such other business of the Association as may properly come before them.

3.5 Special Meetings. The chairman of the Association ("Chairman") shall call a special meeting of the owners if so directed by resolution of the Board of Directors or upon the presentation to the Secretary of a petition signed by ten percent (10%) or more of the owners. All meetings called because of petition of Unit owners shall be held at a formal gathering and not by ballot, and shall be held within sixty (60) days after receipt of the petition. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business, except as stated in the notice therefor, shall be transacted at a special meeting unless by consent of all the owners of the Units or as otherwise set out in these Bylaws.

3.6 Notice of Meetings. The Secretary shall mail by first class or certified mail or shall hand deliver a notice of each annual or special meeting, stating the purpose thereof and the time and place where it is to be held, to each owner of record at least seven (7), but not more than sixty (60), days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. The Secretary shall hand deliver or mail by first class or certified mail written ballots for ballot meetings to each owner of record not less than twenty (20) days prior to the date on which such ballots must be received by the Association in order to be counted. The mailing shall be to the owner's address last given to the Secretary in writing by the Unit owner or his vendee. If Unit ownership is split or

the Unit has been sold on a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If no address has been given to the Secretary in writing, then mailing to the Condominium Unit shall be sufficient. The mailing of a notice in the manner provided in this Section shall be considered notice served.

3.7 Adjourned Meetings. If any gathering of owners is not a legal meeting because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than twenty (20) days from the time the original meeting was called. The Board of Directors may postpone the date for counting the ballots of a ballot meeting, in one or more postponements, for up to ninety (90) days after the originally scheduled ballot return date if a quorum of ballots has not been returned and/or for matters on which a certain percentage approval is required and that vote has not been received nor have sufficient votes in opposition been received to negate such approval.

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

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

ARTICLE 4

BOARD OF DIRECTORS

4.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of two (2) persons, each of whom must be an owner or a co-owner of a Unit. Provided, however, that if a Unit is owned by more than one (1) owner, only one (1) owner of that Unit may serve on the Board of Directors at any one time. An officer or employee of a corporation, a trustee of a trust, a personal representative of an estate, or an employee of a trust or estate, may serve on the Board of Directors, if such corporation, trust or estate owns a Unit.

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4.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the owners.

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

4.3.1 Caring for, maintaining and supervising the management of the Condominium and the general common elements and the limited common elements for which the Association has maintenance responsibilities, and assigning, supervising assignments or approving any assignment of the use of any common element, general or limited, as may be required by the Declaration.

4.3.2 Establishing and maintaining replacement reserve accounts and other reserves, as required by the Oregon Condominium Act or these Bylaws and such other reserve accounts as are permitted by these Bylaws.

4.3.3 Designating and collecting assessments from the owners, in accordance with these Bylaws, the Declaration and the Oregon Condominium Act.

4.3.4 Establishing a budget for payment of all common expenses of the Association and instituting and maintaining a system for such payment as may be reasonably necessary to prevent any misuse of Association funds.

4.3.5 Obtaining and maintaining insurance policies and paying premiums therefor out of the common expense funds with respect to both the common elements and individual Units as more specifically provided in Article 8 of these Bylaws.

4.3.6 Designating and dismissing the personnel necessary for the maintenance and operation of the Condominium, the general common elements, and the limited common elements, if any.

4.3.7 Causing the preparation and distribution of annual financial statements of the Condominium to each of the Unit owners as more specifically provided in Article 12 of these Bylaws.

4.3.8 Adopting and amending administrative rules and regulations governing the details of operation and use of the common elements, including a fine structure for violations of these Bylaws, the Declaration or any rules or regulations promulgated thereunder. Provided, however, that any such rules or regulations always shall be subject to rescission or amendment by the

Association upon a majority vote of owners present at any properly called meeting at which a quorum is present.

4.3.9 Causing the Association to comply with ORS 100.480 relating to maintenance of documents delivered to the Association by the Declarant and maintenance and distribution of financial statements and to maintain copies suitable for duplication of the following: the Declaration, the Articles of Incorporation, the Bylaws, the Association rules and regulations and any amendments thereto, the most recent annual financial statement, and the current operating budget of the Association.

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

4.4 Management Agent. The Board of Directors may employ a management agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4.3 hereof.

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

4.6 Election and Term of Office. At the turnover meeting, the owner(s) of each Unit shall elect one (1) Director who shall serve until the first annual meeting.

4.7 Vacancies. Vacancies on the Board of Directors caused by any reason shall be filled for the balance of the term of each directorship by vote of the owner(s) who elected such Director.

4.8 Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after its election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice need be given to the newly elected Directors to hold such meeting legally, providing that a majority of the newly elected Directors are present.

4.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by the Directors. Notice of regular meetings of the Board of Directors may be called by the Chairman on three (3) days' notice to each Director, given personally or by mail, telephone, facsimile, telegraph or other similarly reliable method, which

notice shall state the time, place (as herein above provided) and purpose of the meeting.

4.10 Special Meetings. Special meetings of the Board of Directors may be called by either Director upon written request to the other Director. Special meetings of the Board of Directors may be called on three (3) days' notice to each Director, given personally or by mail, telephone, facsimile or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

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

4.12 Board of Directors' Quorum. At all meetings of the Board of Directors, attendance by not less than three Directors shall be necessary to constitute a quorum for the transaction of business.

4.13 Board of Directors' Meetings; Open to All Association Members. All meetings of the Board of Directors shall be open to all members of the Association. No Association member shall have a right to participate in the Board of Directors' meetings unless such member is also a member of the Board of Directors. The Chairman shall have authority to exclude any person who disrupts the proceedings at a meeting of the Board of Directors.

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

4.15 Telephonic Meetings. Telephonic meetings may be held by the Board of Directors.

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

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ARTICLE 5

OFFICERS

5.1 Designation. The principal officers of the Association shall be a chairman and a secretary/treasurer, both of whom shall be elected by the Directors.

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

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

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

5.5 Secretary/Treasurer. The Secretary/Treasurer shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; shall have charge of such books and papers as the Board of Directors may direct; and shall, in general, perform all the duties incident to the office of secretary. The Secretary/Treasurer of the Association shall have responsibility for Association funds and securities not otherwise held by the managing agent, shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association and shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

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

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ARTICLE 6

OBLIGATIONS OF THE OWNERS

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

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

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

6.1.1 Expense Items:

- (a) Expenses of administration.
- (b) Expenses of maintenance, repair or replacement of the common elements.
- (c) Any deficit in common expenses for any prior period.
- (d) The costs of utilities for the common elements and other utilities that have a common meter or that are commonly billed, such as water and sewer.
- (e) At the discretion of the Board of Directors, the expense of basic cable or satellite television service to all Units, together with maintenance and repair expenses for such system and service.
- (f) The cost of insurance or bonds obtained in accordance with these Bylaws.

- (g) The cost of any professional management if required by Mortgagees or desired by the Board of Directors.
- (h) Legal, accounting and other professional fees.
- (i) Any other items that are properly chargeable as an expense of the Association.

6.1.2 Reserve Items:

(a) Reserve Account. A reserve account shall be established for the purpose of effecting replacements of structural elements, technical equipment and other common elements of the Condominium which will normally require replacement in more than three (3) years and less than thirty (30) years. Payment into this account shall be deemed a contribution to capital improvement as and when made. Pursuant to provisions of the Oregon Condominium Act, the Declarant has established a reserve account for replacement of such common elements. The reserve accounts for replacement shall be funded by assessment against the same Units that are assessed for the maintenance of the items for which the reserve account is established. Accordingly, the reserve account for replacement of those general common elements and limited common elements, the maintenance of which is provided by assessment against all owners, shall be created by assessment against all owners. The reserve account for replacement of those limited common elements, the maintenance of which is provided by assessment of fewer than all Units, shall be created by assessment only against the specific Units responsible for the maintenance of such limited common elements.

The Board of Directors shall prepare a schedule of those common elements having a remaining useful life of more than three (3) and less than thirty (30) years, together with the current replacement cost of such common elements. The amount of the periodic payments to the reserve account shall be adjusted at regular intervals to recognize changes in remaining useful lives and replacement costs over time. Except as otherwise provided in the Oregon Condominium Act, the reserve account shall be used only for replacement of common elements and shall be kept separate from accounts for maintenance.

(b) General Operating Reserve. In the discretion of the Board of Directors, a general operating reserve account may be created by allocation and payment thereto monthly of an amount determined by the Board of Directors.

(c) Special Reserves. Such other special reserve funds as may be set up by the Directors by special assessments of the Unit owners who benefit thereby as may be required by the Declaration or otherwise determined by the Association to be appropriate may be established.

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

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

6.2.1 Contribution to Working Capital. At closing, each purchaser shall contribute to the Association a sum equal to one-sixth (1/6) of the annual assessments with respect to the Unit being purchased, as a one-time contribution to the working capital of the Association. Within sixty (60) days after the first conveyance by the Declarant of the first Unit in the Condominium, the Declarant shall make such contribution with respect to all Units in the Condominium that have not yet been conveyed to a purchaser. If the Declarant has made such contribution, no further contribution to the Association shall be required, but each purchaser shall reimburse the Declarant at closing for the amount of the contribution made by the Declarant with respect to the Unit conveyed to the purchaser. If the amount of assessments is reduced pursuant to the authority granted to the Declarant herein, the initial deposit to the Association budget, equal to one-sixth (1/6) of the annual assessment, shall be based on the projected amount of such annual assessment after substantial or full occupancy of the Units rather than on the reduced amount.

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

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The Declarant, or such other person paying all operating expenses or subsidizing such expenses, shall give ten (10) days' written notice to individual Unit owners before their obligation to pay the full assessment begins. Thereafter, each owner, including the Declarant or such other person, shall pay the assessments to the Association. In the event that the Declarant has collected initial assessments from Unit purchasers at closing and thereafter elects to pay or subsidize the operating expenses, thereby causing the amount of the assessment to be reduced, the one-time initial contribution collected from Unit purchasers shall be held by the Declarant in a separate Association account. On the date on which Unit owners are required to pay full assessments, the aggregate sums held in such separate account shall be deposited to the Association's general account to be used as working capital.

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

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

(a) To correct a deficit in the operating budget by vote of a majority of the Board;

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

(c) To make repairs or renovations to the common elements if sufficient funds are not available from the operating budget or replacement reserve accounts, by vote of a majority of the Board; or

(d) To make capital acquisitions, additions or improvements by vote of at least seventy-five percent (75 %) of all votes allocated to Units in the Condominium.

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

(a) Pay assessments due for operating expenses on all unsold Units; and

(b) Pay assessments due for reserves on all unsold Units, or, at the Declarant's option, pay or require the Unit owner to pay all accrued reserve assessments against the Unit at the time of the initial sale to the Unit owner.

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

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

Such budget also shall include such reasonable amounts as the Board of Directors considers necessary to provide working capital and such general operating reserve accounts, contingency and other reserve accounts as the Board shall determine. The amount designated for replacement reserves shall be adjusted annually to reflect current replacement cost and remaining useful life. At least thirty (30) days before the beginning of each fiscal year, the Board of Directors shall send to each Unit owner a copy of the budget in a reasonably itemized form which sets forth the amount of the common expenses and any special assessment payable by each Unit owner. Such budget shall constitute the basis for determining each Unit owner's assessment for the common expenses of the Condominium.

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

6.5.3 Failure to Adopt Budget. In the event the Board of Directors fails to adopt, in a timely manner, a budget for a new fiscal year, Unit owners holding a majority of the votes of the entire Association, at any general or special meeting, may adopt such a budget, announce it to the Unit owners and immediately commence assessments based on the newly adopted budget. Additionally, at any general or special meeting, Unit owners holding a majority of

the votes of the entire Association may amend any budget adopted by the Board of Directors. Thereafter, the amount of assessments due from Unit owners shall be based on the budget as so amended until a new budget is adopted in accordance with this Section 6.5.

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

6.5.5 Filing of Income Tax Returns. The Board of Directors, in its sole discretion, shall select the person, persons or entity to prepare appropriate tax returns and determine the manner in which all necessary income tax returns are filed.

6.6 Default. The failure of an owner to pay any assessment of the Association shall be a default by such owner of his obligations pursuant to these Bylaws and the Oregon Condominium Act and, in addition to the Association's other remedies provided in the Declaration, these Bylaws shall entitle the Association to declare the balance of such owner's annual assessment otherwise being paid in installments to be immediately due and payable in full. Interest shall be charged on delinquent assessments at such rate as may be set by the Board of Directors from time to time not to exceed the lower of eighteen percent (18%) per annum or the highest rate permitted by applicable law. Before the imposition of or a change in the interest rate charged on delinquent assessments, the Board of Directors shall give thirty (30) days' prior written notice to all owners.

In addition, the Board, at its option, may impose a late fee on any assessment or installment thereof that is delinquent for ten (10) or more days. Such fee shall not exceed the sum of twenty-five percent (25%) of the delinquent assessment or installment thereof and shall be imposed only once on each regular or special assessment or installment of such assessments.

The Association shall be entitled to a lien that may be enforced upon compliance with the provisions of ORS 100.450. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting owner for the use of his Unit or shall be entitled to the appointment of a receiver pursuant to ORS 100.460. The receiver shall serve without bond but if a bond is required the amount thereof shall not exceed \$1,000. Liability for all assessments, fines, charges, interest, fees (including attorneys' fees, whether or not suit or action is commenced), and other sums owing by the Unit owner pursuant to the Declaration, these Bylaws, the Oregon Condominium Act and rules and regulations of the Association, shall be the personal obligation of the Unit owner and may be enforced by suit for a money judgment, in addition to all other remedies of the Association. Any default by the owner of any provisions of these Bylaws or of the Oregon

Condominium Act shall be deemed to be a default by the owner of any Mortgage to which the owner is a party or to which the Unit is subject.

6.7 Maintenance and Repair.

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

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

6.7.3 Reimbursement of Association. An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common elements and/or facility that was damaged through such owner's fault and/or the fault of such Owner's tenant, licensee, invitee or guest, and that is not otherwise covered by insurance policies carried by the owner or the Association for the owner's and the Association's benefit.

6.8 Right of Entry; Easement for Maintenance; Encroachments.

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

6.8.2 Association's Easement. 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 at Association expense.

6.8.3 Encroachment. If any portion of the common elements encroaches upon a Unit, or a Unit encroaches upon any portion of the common elements, a valid easement for the encroachment and for the maintenance of the

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

ARTICLE 7

USE AND OCCUPANCY RESTRICTIONS; RULES OF CONDUCT

The failure of an owner, his family, invitees or tenants to comply with the rules of conduct and restrictions set forth herein, in the Declaration, or others promulgated by the Board of Directors, shall be cause for which the Board of Directors may deny or restrict such owner's right to use any common element facility with respect to which such owner otherwise had a right to use.

7.1 Use as Private Dwelling Only. Each of the Units shall be occupied as a single-family private dwelling by its owner or his tenants, visitors, and guests, and for no other purpose. Subject to compliance with applicable local ordinances and other restrictions of record, an owner may use his Unit as a "home office." All common elements shall be used in a manner conducive to residential use. No Unit owner shall be permitted to lease his Unit for a period of fewer than sixty (60) days. Any agreement to lease a unit shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and the Bylaws and that any failure by the tenant to comply with the terms of such documents shall be a default under the lease.

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

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

7.4 Pets. No owner may keep a pet in his Unit without the prior written consent of the Board of Directors. Any Unit owner who is given

authorization and who maintains any pet upon any portion of the Condominium shall be deemed to have indemnified and agreed to hold the Association, each of its members, and the Declarant, free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium. All pets shall be registered with the Board of Directors and shall be registered, licensed and inoculated as required by law. Further, such owner shall abide by the Municipal Sanitary Regulations, leash laws, and rules and regulations of the Association created by the Board of Directors. The Board of Directors shall have the power to require any owner or occupant whose pet the Board in its sole discretion deems is a nuisance to remove such pet from the Condominium.

7.5 Appearance of Condominium Building(s). No Unit owner shall cause anything to be hung, displayed, or placed on the walls, railings, doors, windows, walkways, patios, fences, ceilings of walkways or roof of the Condominium building or any other common element or otherwise change the appearance of any portion of the common elements without the prior written consent of the Board of Directors. Each Unit owner shall provide draperies, mini-blinds or other window coverings at all windows, which window coverings shall be lined with white material, sufficiently opaque so as to not disclose the color of the interior portion of such window coverings. No clothes lines or similar devices and no "For Sale" or "For Rent" signs shall be allowed on any part of the Condominium property without the prior written consent of the Board of Directors, except that the Declarant may post reasonable signs advertising any unit for sale or rent in reasonable places on the Condominium property.

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

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

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

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

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

7.10 Covenants, Conditions, Restrictions and Easements in Other Documents. In addition to the provisions of the Declaration, the Articles of Incorporation, the Bylaws and any rules or regulations promulgated thereunder, each owner of a Unit in the Condominium is subject to covenants, conditions, restrictions, easements and assessments as may be referenced in the instrument conveying title to the Unit in question:

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, which insurance shall be governed by the provisions in this numbered section.

8.1 Types of Insurance Policies. For the benefit of the Association and the owners, the Board of Directors shall obtain and maintain at all times, 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 fire and casualty insurance as the Board of Directors shall determine, to give substantially equal or greater protection to the owners and their Mortgagees, as their respective interests appear, which policy or policies shall provide for a separate loss payable endorsement in favor of the Mortgagee or Mortgagees, if any, of each Unit. For the purposes of any policy or policies of fire insurance, the term "building" shall include fixtures, installations or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Condominium Units initially installed and 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, its Board of Directors, the Unit owners individually, and the manager against any liability to the public or the owners of Units and their invitees or tenants, incident to the ownership, supervision, control or use of the project. Limits of liability under such insurance shall be not less than One Million Dollars (\$1,000,000) 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 or both. 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 Workmen's compensation insurance to the extent necessary to comply with any applicable laws.

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

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

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

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

8.4 Value of Owner Improvements. Each owner must inform the Board of Directors of the value of Improvements made to his Unit in excess of One Thousand Dollars (\$1,000) so that the Board of Directors may make any desired adjustments in insurance coverage. Nothing in this paragraph shall permit an owner to make improvements without first obtaining the approval of the Board of Directors pursuant to Article 7.

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

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

8.5.2 A provision that the master policy on the 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 or limited common element has been damaged or destroyed) shall contribute to the Association all amounts

received by such owner from property loss insurance policies to help pay for the repairs. To the extent that such insurance proceeds are unavailable or unpaid when needed, the Association shall assess such owner the amount of the Association's "deductible" under its policy to pay the cost of repairing or reconstructing such owner's Unit or limited common elements. Such assessment shall be both a personal obligation of such owner and a lien against such owner's Unit in the same manner as any other Association assessment.

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

The Association shall have no responsibility to procure or assist in procuring property loss insurance for any owner or tenant for: (a) damage to a Unit or limited common elements not covered by the Association's policy (because of the deductible amount or because the claim for loss or damage is one not normally covered by fire and property loss insurance policies with extended coverage endorsements); or (b) for any damage or loss to the owner's or tenant's personal property. Owners shall be responsible for purchasing insurance policies insuring their units and appurtenant limited common elements for the deductible amount under the Association's policies and for insuring their own personal property for any loss or damage. Proof of such insurance coverage shall be provided to the Association's Secretary by the Unit owner. Tenants shall be responsible for insuring their own personal property for any loss or damage. The Board of Directors shall notify all owners of the amount of the deductible under the Association policies. To the extent reasonably practicable, the Board of Directors shall give at least thirty (30) days' notice to the owners of any increase in the deductible proposed in renewal or replacement insurance policies. Owners and tenants of all Units shall procure and maintain comprehensive liability policies having combined limits of not less than Fifty Thousand Dollars (\$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 case of fire, casualty or any other damage and destruction, the insurance proceeds of the master policy, if sufficient to reconstruct the buildings damaged or destroyed, shall be applied to such reconstruction.

9.2 Insurance Proceeds Insufficient to Cover Loss. If the insurance proceeds are insufficient to reconstruct the damaged or destroyed buildings, the damage to, or destruction of, such buildings shall be promptly repaired and restored by the manager or the Board of Directors, using the proceeds of insurance, if any, on such buildings for that purpose and all the Unit owners shall be liable for assessment for any deficiency for such reconstruction, such deficiency to take into consideration as the owner's contribution any individual policy insurance proceeds provided by such owner. Provided, however, that if three-fourths (3/4ths) or more in value of all the buildings is destroyed or substantially damaged, and if the owners of at least sixty percent (60%) of the Units so vote, and upon the approval of holders of at least fifty-one percent (51%) of the Mortgages on Units in the Condominium, the Board of Directors shall record with the County Recorder a notice setting forth such facts, and upon the recording of such notice:

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

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

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

9.3 Architectural Changes After Damage or Destruction.

Reconstruction of the damaged or destroyed buildings as used in this Article means restoring the buildings to substantially the same condition in which they existed prior to the fire, casualty or disaster and shall be performed substantially in accordance with the Declaration and the original plans and specifications unless other action is approved by the holders of at least fifty-one percent (51%) of the Mortgages in the Condominium. Provided, however, that any such amendment of the Condominium documents shall be valid only upon (1) compliance with all applicable provisions of the Oregon Condominium Act; (2) approval by the Oregon Real Estate Commissioner; (3) recordation of the Condominium documents in the deed records of Multnomah County; and (4) recordation in the deed records of Multnomah County of the approval by each Mortgagee and other lienholders of record having a lien against any part of the project, or building, affected by such amendment.

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

ARTICLE 10

CONDEMNATION

The Board of Directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain and to sue or defend in any litigation involving such bodies or persons with respect to the common elements of the Condominium and shall assist any Unit owner whose Unit or 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.

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ARTICLE 11

AMENDMENTS TO BYLAWS

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

ARTICLE 12

RECORDS AND AUDITS

12.1 General Records. The Board of Directors and the managing agent or manager, if any, shall keep detailed records of 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 Association. The Board of Directors shall maintain a list of owners entitled to vote at meetings of the Association and a list of all Mortgagees of Units insofar as such names have been provided to the Board by the owner of Mortgagee.

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

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

12.4 Payment of Common Expenses. The Board of Directors shall authorize the Treasurer, the management agent, or another specified party, to pay all legitimate expenses of the Association. Such payments shall be made pursuant to the payment system instituted by the Board of Directors as described in Section 4.3.4 of these Bylaws.

12.5 Reports and Audits. The Board of Directors shall prepare or cause to be prepared an annual report of the receipts and expenditures of the Association and a balance sheet and income and expense statement setting forth the financial condition of the Association as of the end of each year. The report shall be prepared according to generally accepted accounting procedures and shall be distributed to all Unit owners within ninety (90) days after the end of each fiscal year. At any time and at his own expense, any owner or Mortgagee may cause an audit or inspection to be made of the books and records of the Association.

12.6 Notice of Sale, Mortgage, Rental or Lease. Immediately upon the sale, Mortgage, rental or lease of any Unit, the Unit owner shall promptly inform the Secretary or manager of the name and address of such vendee, Mortgagee, lessee, or tenant. This obligation is in addition to those set forth in Section 7.

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

ARTICLE 13

COMPLIANCE

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

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ARTICLE 14

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

The Association shall indemnify any Director, officer, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the fact that he 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 no 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.

ARTICLE 15

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 ORS100.405(4)(j).

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

ARTICLE 16

MISCELLANEOUS

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

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

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

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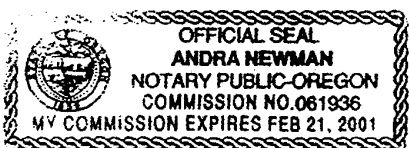
It is hereby certified that these Bylaws have been adopted by PMP LLC, an Oregon limited liability company, Declarant of Hamilton Court Condominiums, and will be recorded in the Deed Records of Multnomah County, together with the Condominium Declaration for said Condominium, after said Declaration and Bylaws are approved by the Assessor of said County.

DATED this 28th day of February, 1999.

PMP LLC
By: [Signature]
Peter M. Perrin, Member

STATE OF OREGON)
) ss.
County of Multnomah)

Personally appeared before me this 28 day of February 1999, the above-named Peter M. Perrin, who, being duly sworn, did say that he is the authorized representative of PMP LLC, Declarant of Hamilton Court Condominiums and that said instrument was signed on behalf of said limited liability company by authority of all of its Members; and he acknowledged said instrument to be PMP LLC's voluntary act and deed.



[Signature]
Notary Public of Oregon
My Commission expires: 2-21-01