

# "LA TORRE AN OREGON CONDOMINIUM" FOR

VENERABLE PROPERTIES INC.

IN LOTS 1-3, BLK 15 "NORTH PORTLAND" IN THE SE 1/4, SEC 29, T.1N, R.1E, W.M. CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON SCALE: 1" = 10' APRIL 5, 1996

SHEET 1 OF 6

LAYNE CASWELL SURVEYOR INC. 6120 S.W. LOMBARD AVE. BEAVERTON, OREGON 97008 (503) 844-3179

REGISTERED PROFESSIONAL LAND SURVEYOR ALBERT HERTEL 1896 EXPIRES 6/30/97

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

ALBERT HERTEL

### SURVEYOR'S CERTIFICATE

I, ALBERT HERTEL, A REGISTERED PROFESSIONAL SURVEYOR IN THE STATE OF OREGON, HEREBY CERTIFY THAT I HAVE CORRECTLY SURVEYED AND MARKED WITH PROPER MONUMENTS, THE LAND REPRESENTED UPON THE ANNEXED MAP AS "LA TORRE AN OREGON CONDOMINIUM" THE BOUNDARY OF WHICH IS DESCRIBED AS FOLLOWS:

ALL OF LOTS 1 AND 2 AND THE EASTERLY 0.5 FEET OF LOT 3 BLOCK 15 "NORTH PORTLAND" A DULY RECORDED PLAT IN MULTNOMAH COUNTY, OREGON RECORDS, THE SOUTH-EAST CORNER OF SECTION 29, TOWNSHIP 1 NORTH RANGE 1 EAST, MERIDIAN 12, MULTNOMAH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF BLOCK 15 "NORTH PORTLAND", A DULY RECORDED PLAT IN MULTNOMAH COUNTY RECORDS, SAID CORNER BEING THE INITIAL POINT A BRASS SCREW WITH 3/4" BRASS WASHER INSCRIBED "PLS 1896" WHICH BEARS N44°57'42"W 5.65 FEET FROM A BRASS SCREW WITH 3/4" BRASS WASHER INSCRIBED "PLS 1896" SET IN SN 55033 ON A 4 FOOT BY 4 FOOT OFFSET FROM SAID BLOCK CORNER; THENCE N00°03'17"E ALONG THE RIGHT OF WAY LINE OF NW 28th A DISTANCE 100.05 FEET; THENCE N89°59'29"W ALONG THE NORTH LINE OF LOT 2 OF SAID BLOCK 15 A DISTANCE OF 99.93 FEET; THENCE CONTINUING N89°59'29"W A DISTANCE OF 0.50 FEET TO AN IRON ROD; THENCE S00°05'45"W A DISTANCE OF 100.03 FEET; THENCE S89°58'55"E ALONG THE NORTH INITIAL POINT OF NW UPSHUR STREET A DISTANCE OF 100.50 FEET TO THE RIGHT POINT, CONTAINING 10051 SQUARE FEET.

### LEGEND

- BRASS SCREW SET WITH 3/4" BRASS WASHER INSCRIBED "PLS 1896"
- BRASS SCREW FOUND WITH 3/4" BRASS WASHER INSCRIBED "PLS 1896" SET IN SN 55033
- 5/8 INCH IRON ROD FOUND WITH YELLOW PLASTIC CAP INSCRIBED "HERTEL PLS 1896" N48°00'48"E 0.53' FROM NORTHWEST PROPERTY CORNER SET IN SN 55033
- SECTION CODE PLAN/PROFILE SHEET NUMBER
- PARKING SPACE A
- SN SURVEY NUMBER, COUNTY SURVEY RECORDS CENTERLINE
- GENERAL COMMON ELEMENT
- LIMITED COMMON ELEMENT



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- SHEET 5 NORTH-SOUTH PLAN SECTION, ENCROACHMENT DETAIL
- SHEET 6 CERTIFICATE OF COMPLETION, DECLARATION AND APPROVALS

JOB No. 5399

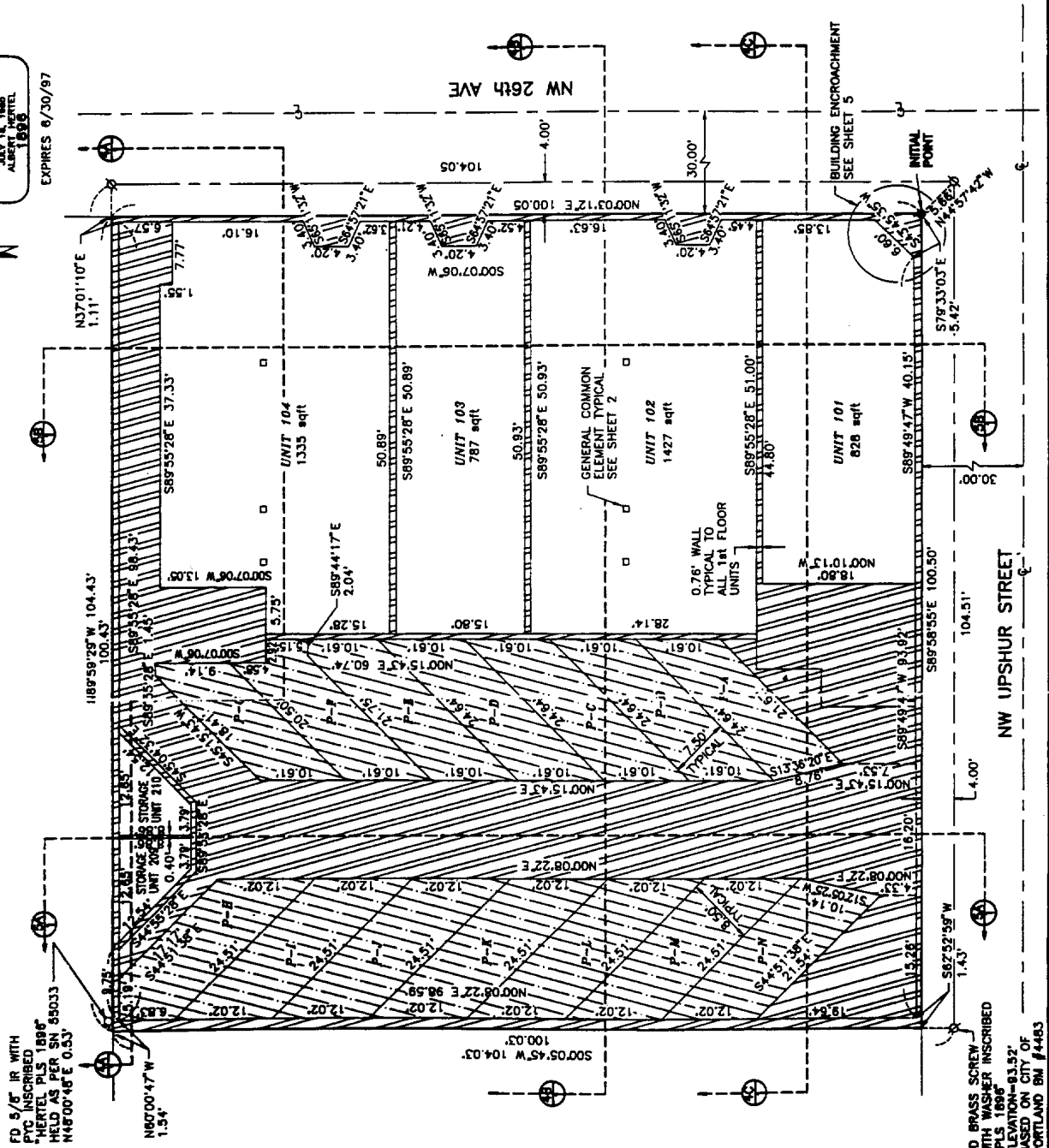
### NOTES

- REFERENCE MATERIAL : SURVEY NUMBERS : 55033 BEARING BASIS : SN 55033 ELEVATIONS ARE BASED ON CITY OF PORTLAND DATUM FROM BENCH MARK NUMBER 4483 (ELEVATION=102.57') AT THE INTERSECTION OF NW 28th AVE AND NW THURMAN ST, RESULTING IN AN ELEVATION OF 93.52' AT THE BRASS SCREW FOUND NEAR THE SOUTHWEST PROPERTY CORNER.

THE PURPOSE OF THIS SURVEY IS TO PLAT LOT 1, 2 AND THE EAST 0.5 FEET OF LOT 3 OF BLOCK 15 OF "NORTH PORTLAND", A DULY RECORDED PLAT IN MULTNOMAH COUNTY SURVEY RECORDS, INTO CONDOMINIUM UNITS AND COMMON AREAS. THE FIELD CREW, UNDER MY DIRECT SUPERVISION, CONSISTED OF ROBERT WHITE, BENJAMIN STACY, JEFF CASWELL, AND BRUCE ROMINE. A ONE SECOND THEODOLITE AND AN ELECTRONIC DISTANCE METER WERE USED FOR PRIMARY MEASUREMENT.

TO CONTROL THE BOUNDARY WE HELD MONUMENTS AS PER SURVEY NUMBER 55033. ALL MONUMENTS WERE SET ON JULY 2, 1996

FD 5/8" IR WITH PVC INSCRIBED "HERTEL PLS 1896" HELD AS PER SN 55033 N48°00'48"E 0.53'



FD BRASS SCREW WITH WASHER INSCRIBED "PLS 1896" HELD AS PER SN 55033 N48°00'48"E 0.53' BASED ON CITY OF PORTLAND BM #4483



# "LA TORRE AN OREGON CONDOMINIUM"

FOR

VENERABLE PROPERTIES INC.

IN LOTS 1-3, BLK 15 "NORTH PORTLAND"  
IN THE SE 1/4, SEC 29, T.1N, R.1E, W.M.  
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON  
SCALE: 1" = 10' APRIL 5, 1996

SHEET 3 OF 6

REGISTERED PROFESSIONAL LAND SURVEYOR

ALBERT HERTEL  
EXPIRES 8/30/97

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

ALBERT HERTEL

LAYNE CASWELL

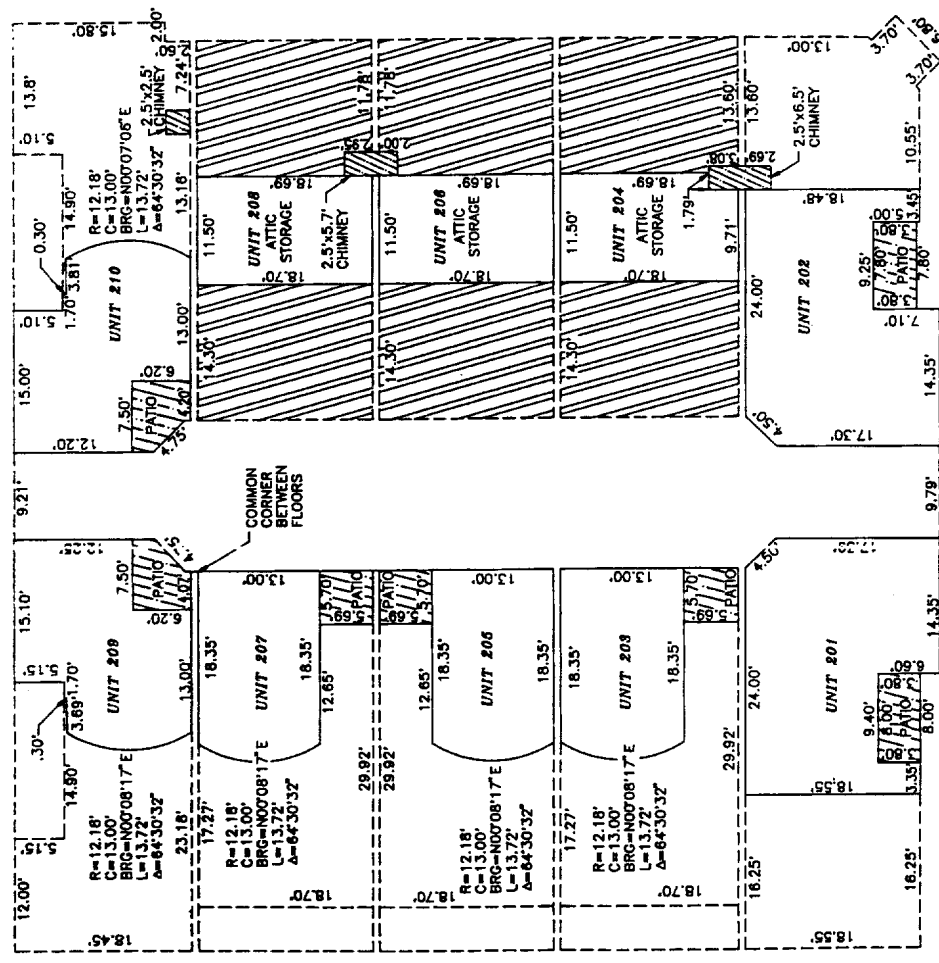
SURVEYOR INC.  
6120 S.W. UMBARD AVE.  
BEAVERTON, OREGON 97008  
(503) 644-3178

LEGEND

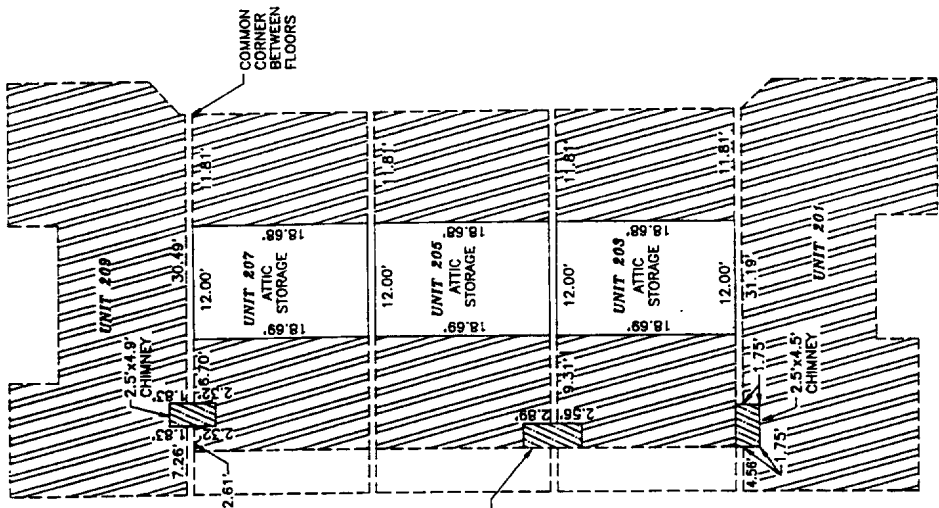
ELEV ELEVATION

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT



THIRD FLOOR



FOURTH FLOOR



# "LA TORRE AN OREGON CONDOMINIUM"

FOR  
VENERABLE PROPERTIES INC.  
IN LOTS 1-3, BLK 15 "NORTH PORTLAND"  
IN THE SE 1/4, SEC 29, T.1N, R.1E, W.M.  
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON  
SCALE: 1" = 10' APRIL 5, 1996

SHEET 5 OF 6

**REGISTERED  
PROFESSIONAL  
LAND SURVEYOR**

**OREGON**  
ALBERT HERTEL  
1996

EXPIRES 6/30/97

**LAYNE  
CASWELL**  
SURVEYOR INC.  
6120 S.W. LOMBARD AVE.  
BEAVERTON, OREGON 97008  
(503) 644-3179

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

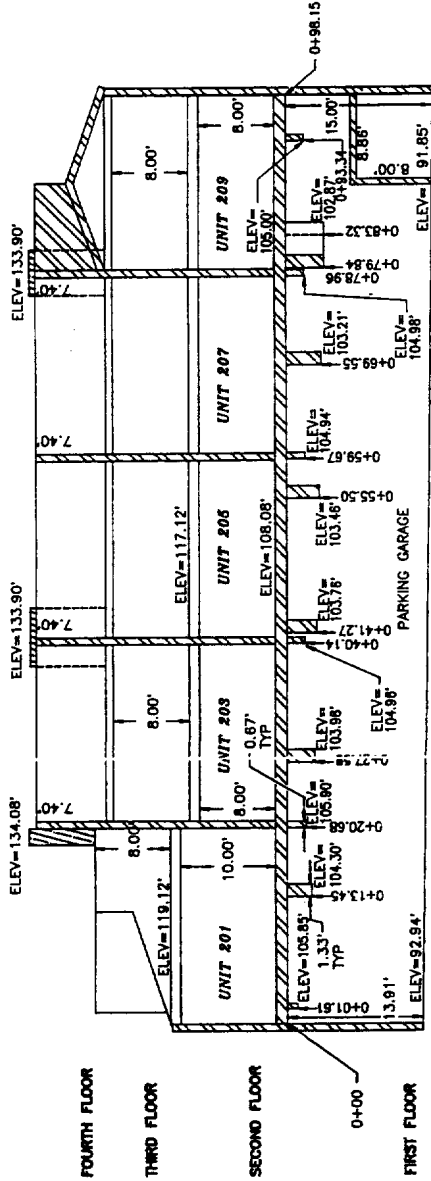
ALBERT HERTEL

**LEGEND**

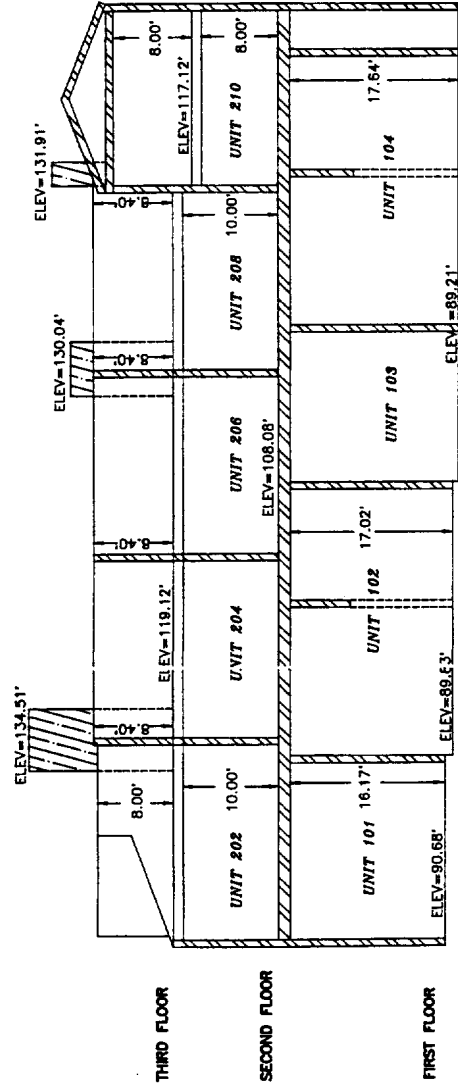
ELEV ELEVATION

▨▨▨▨ GENERAL COMMON ELEMENT

▨▨▨▨ LIMITED COMMON ELEMENT

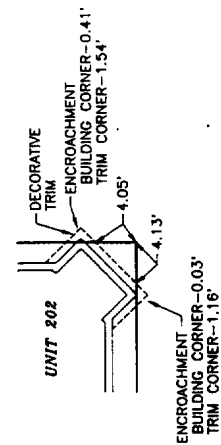


**4.A**  
**NORTH-SOUTH BUILDING SECTION**



**5.B**  
**NORTH-SOUTH BUILDING SECTION**

ENCROACHMENT DETAIL



A REVOCABLE PERMIT TO USE DEDICATED STREET AREA  
HAS BEEN OBTAINED FOR ABOVE SHOWN ENCROACHMENT  
(PERMIT NO. 26476 DATED JUNE 4, 1996) FROM THE CITY  
OF PORTLAND OFFICE OF TRANSPORTATION BUREAU OF  
ENGINEERING AND DEVELOPMENT

# "LA TORRE AN OREGON CONDOMINIUM"

FOR

VENERABLE PROPERTIES INC.  
IN LOTS 1-3, BLK 15 "NORTH PORTLAND"  
IN THE SE 1/4, SEC 29, T.1N, R.1E, W.M.  
CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON  
SCALE: 1" = 10' APRIL 5, 1996

APRIL 5, 1996

SHEET 6 OF 6

## APPROVALS

CITY OF PORTLAND

APPROVED THIS 26th DAY OF July, 1996  
CITY OF PORTLAND, BUREAU OF BUILDINGS

BY: *W. J. ...*

MULTNOMAH COUNTY

ALL TAXES, FEES, ASSESSMENTS OR OTHER CHARGES AS PROVIDED  
BY O.R.S. 100.110 HAVE BEEN PAID AS OF July 26, 1996  
DIRECTOR, DIVISION OF ASSESSMENT AND TAXATION, MULTNOMAH COUNTY  
OREGON.

BY: *Carol ...*  
DEPUTY

APPROVED July 25, 1996  
COUNTY SURVEYOR MULTNOMAH COUNTY, OREGON

BY: *Steve R. ...* Deputy

STATE OF OREGON )  
COUNTY OF MULTNOMAH )

I DO HEREBY CERTIFY THAT THE  
ATTACHED CONDOMINIUM PLAN HAS  
RECEIVED FOR RECORD AND RECORDED  
IN BOOK 1232, 1996 AT 2327 IN  
PAGE 33 ON PAGES 23-33  
COUNTY RECORDING OFFICE

BY: *Albert Hertel*  
DEPUTY  
DOCUMENT NO. 96-112539

## DECLARATION

KNOW ALL PERSONS BY THESE PRESENTS, THAT VENERABLE PROPERTIES INC.,  
OREGON CORPORATION, IS THE OWNER OF THE PROPERTY SHOWN ON THE  
ANNEXED MAP AND MORE PARTICULARLY DESCRIBED IN THE SURVEYOR'S  
CERTIFICATE HERETO ATTACHED AND HAS CAUSED THE SAME TO BE SURVEYED  
AND PLATTED INTO UNITS, AS SHOWN ON THE ANNEXED MAP AND TO BE HEREBY  
DECLARED "LA TORRE AN OREGON CONDOMINIUM" AND HEREBY COMMITS SAID LAND  
TO THE OPERATION OF THE UNIT OWNERSHIP LAW AS LAID OUT IN CHAPTER  
100 OF THE OREGON REVISED STATUTES.

ARTHUR DAMURO, PRESIDENT  
VENERABLE PROPERTIES INC.

## ACKNOWLEDGEMENT

STATE OF OREGON )  
COUNTY OF MULTNOMAH )

THIS CERTIFIES THAT ON THIS 25 DAY OF July, 1996  
BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE,  
PERSONALLY APPEARED ARTHUR DAMURO WHO BEING DULY SWORN, DID  
SAY THAT HE IS THE PRESIDENT OF VENERABLE PROPERTIES INC. AN  
OREGON CORPORATION, AND THAT THIS INSTRUMENT WAS SIGNED IN BEHALF  
OF SAID CORPORATION BY AUTHORITY OF ITS BOARD OF DIRECTORS, AND  
THAT THIS INSTRUMENT WAS EXECUTED FREELY AND VOLUNTARILY.



## SURVEYOR'S CERTIFICATE OF COMPLETION

I, ALBERT HERTEL, A REGISTERED PROFESSIONAL LAND SURVEYOR,  
HEREBY CERTIFY THAT THE PLAT OF "LA TORRE AN OREGON CONDOMINIUM"  
FULLY AND ACCURATELY DEPICTS THE BOUNDARIES OF THE UNITS AND OF  
THE BUILDINGS AND THAT THE CONSTRUCTION OF THE UNITS AND BUILDINGS  
AS DEPICTED ON THE PLAN HAS BEEN COMPLETED.

PLS 1986  
EXPIRES 6/30/97

*C. LAYNE  
D. CASWELL*  
SURVEYOR INC.  
8120 S.W. LOMBARD AVE.  
BEAVERTON, OREGON 97008  
(503) 844-3179

REGISTERED  
PROFESSIONAL  
LAND SURVEYOR

OREGON  
JULY 15, 1990  
ALBERT HERTEL  
1995

EXPIRES 6/30/97

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

ALBERT HERTEL

Recorded in the County of Multnomah, Oregon  
C. Swick, Deputy Clerk



96112540 2:32pm 07/25/96

013 20002488 02 12  
C73 13 0.00 65.00 0.00 3.00 0.00

WHEN RECORDED, RETURN TO:

A.R. Vial Associates, P.C.  
12725 SW 66th Avenue, Suite 107  
Portland, OR 97223  
(503) 684-4111

**CONDOMINIUM DECLARATION**

**FOR**

**LA TORRE,  
an Oregon Condominium**

THIS DECLARATION, made this 11<sup>th</sup> day of July, 1996, by Venerable Properties, Inc. (herein "Declarant"), pursuant to the provisions of the Oregon Condominium Act;

**WITNESSETH:**

WHEREAS, the Declarant is the owner of certain property in Multnomah County, Oregon, to be known as La Torre, an Oregon Condominium,

NOW, THEREFORE, the Declarant hereby declares that all of the properties described below in Article II shall be submitted in fee simple to the provisions of the Oregon Condominium Act. This Declaration shall be binding on all parties having any right, title, or interest in the described properties. The above-described property shall thereby be organized according to the condominium form of ownership and pursuant to ORS Chapter 100, the Oregon Condominium Act.

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

**ARTICLE I**  
**Definitions**

When used in this Declaration the following terms shall be accorded the meanings indicated:

- 1.1 The "Association" refers to the Association of Unit Owners of La Torre, an Oregon Condominium.
- 1.2 "Bylaws" refers to the Bylaws of the Association adopted pursuant to Section 11.4 as they may be amended from time to time.
- 1.3 The "Condominium" refers to the land, buildings, improvements submitted by this Declaration and all easements, rights, and appurtenances belonging thereto.
- 1.4 The "Declarant" refers to Venerable Properties, Inc., its successors and assigns.
- 1.5 "Mortgage" and "Mortgagee" refer, respectively, to a recorded mortgage, trust deed, or contract of sale and the holder, beneficiary, or vendor of such instrument.
- 1.6 "Plans" refer to the plat and floor plans of La Torre, an Oregon Condominium filed

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simultaneously with this Declaration.

1.7 Incorporation By Reference. Except as otherwise provided in this Declaration, each of the terms used herein that are defined in ORS 100.005, the Oregon Condominium Act, shall have the meanings set forth in such section.

**ARTICLE II**  
Description of the Property

The property submitted to the Oregon Condominium Act by this Declaration is located in Multnomah County, Oregon, and is more particularly described in the attached Exhibit "A."

**ARTICLE III**  
Name of the Condominium

The name by which the Condominium shall be known is "La Torre, an Oregon Condominium."

**ARTICLE IV**  
Units

4.1 General Description of Buildings. The Condominium consists of a single two-story building, containing a total of fourteen (14) units. Ten of the units are residential units and four of the units are commercial units. Approximately one-half of the ground floor is a garage area which contains limited common element parking and storage for unit owners. The finished two-story building has a poured concrete floor, dryvit exterior, tile and asphalt roofing and wood framing with some steel reinforcement. Some of the exterior walls on the first floor are of concrete block. The location of the building is as shown in the plans, which are made a part of this Declaration as if fully set forth herein.

4.2 General Description, Location, and Designation of Units. The dimensions, designation, and location of each residential unit and each commercial unit are shown in the plans. The approximate area of each unit is shown on the attached Exhibit "B." Residential units consist of ten units, each with attic storage, with the exception of units 209 and 210 which include storage units as specified in section 4.4 of this Article. The four commercial units are approximately identical to each other, however, the boundaries between the commercial units may be changed by agreement of the respective owners.

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

In interpreting deeds, mortgages, deeds of trust, and other instruments for any purpose whatsoever, or in connection with any matter, the existing physical boundaries of the unit or of a unit reconstructed in substantial accordance with the original plans hereof, shall be conclusively presumed



to be the boundaries regardless of settling, rising, or lateral movement of the building and regardless of variances between boundaries as shown on the plans and those of the actual building or buildings.

4.4 Storage Units for Units 209 and 210. Residential units 209 and 210 shall each include a storage unit located at the north end of the parking area as shown in the plans. Each storage unit shall be bounded by the interior surfaces of its perimeter and bearing walls, floors, and ceilings. All other portions of the exterior walls, floors or ceilings and interior load bearing partitions shall be a part of the common elements.

4.5 Dividing or Realigning Commercial Unit Boundaries. Upon written agreement of all unit owners affected, commercial units may be divided into no more than two units each, and unit boundaries may be relocated as between commercial units subject to the following conditions and provisions:

- (a) The percentage interest in the common elements and allocation of common profits and expenses shall be recalculated pursuant to Articles VII and VIII of this Declaration.
- (b) Any newly created unit shall have an identifying number assigned.
- (c) The division or realignment of the unit boundaries is consistent with the grid lines depicted in the plans filed simultaneously herewith and the Board of Directors has approved the division or realignment in writing. The Board may require the opinion of a registered professional engineer as to whether or not the proposed division or conversion will impair the structural integrity or mechanical systems of the Condominium, or weaken the support of any portion of the Condominium. The Board of Directors may also require a qualified person to supervise work necessary to effect the division or the realignment.
- (d) An amendment to the Declaration shall be executed by the owner and mortgagees or trust deed beneficiaries of all affected units, with such amendment certified by the Chairperson and Secretary of the Association, and approved and recorded in accordance with ORS 100.135(1)(b).
- (e) A plat showing the changes and final configuration of all units affected shall be recorded in accordance with ORS 100.115.
- (f) All expenses incurred by the Association in connection with these provisions shall be borne by the owner or owners of the unit(s) requesting the division or realignment.
- (h) All other provisions of ORS 100.625 shall be adhered to.

#### **ARTICLE V** **General Common Elements**

The general common elements consist of the following:

- 5.1 The land, pathways, driveways, sidewalks, and grounds, and all portions thereof.
- 5.2 Pipes, ducts, flues, chutes, conduits, wires, and other utility installations to their outlets.
- 5.3 Roofs, foundations, bearing walls, perimeter walls, beams, columns, and girders to the interior surfaces thereof.

5.4 All other elements of the building and the property necessary or convenient to their existence, maintenance, and safety, or normally in common use except as may be expressly designated herein as part of a unit or a limited common element.

**ARTICLE VI**  
**Limited Common Elements**

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

6.1 Private decks or patios, (except for the outside exterior surfaces thereof,) which are accessible from the unit to which it adjoins only, each of which shall pertain to the unit which it adjoins as shown on the plans filed simultaneously herewith.

6.2 Parking spaces, each of which pertains to the unit as shown on the attached Exhibit "C". Storage areas may, with the approval of the Association, be constructed at the front of the parking spaces so as to allow the nose of an automobile to fit underneath. All materials and design for such storage areas shall be approved in writing by the Board of Directors.

6.3 All fireplaces and chimneys.

**ARTICLE VII**  
**Allocation of Undivided Interest**  
**In Common Elements**

Each unit will be entitled to an undivided ownership interest in the common elements determined by and equal to the ratio of the approximate area of the particular unit to the total approximate area of all units combined. The undivided interest allocation for each unit is shown on the attached Exhibit B.

**ARTICLE VIII**  
**Common Profits and Expenses; Voting**

8.1 Allocation of Common Profits and Expenses. The common profits derived from and the common expenses of the common elements shall be distributed and charged to the owner of each unit according to the allocation of undivided interest of such unit in the common elements.

8.2 Allocation of Voting Rights. Each unit shall be allocated one vote in the affairs of the Association. The method of voting shall be as specified in the Bylaws.

**ARTICLE IX**  
**Use of Property**

9.1 Residential Use. Each residential unit is to be used for residential purposes as described in the Bylaws. Additional limitations on use are contained in the Bylaws by which all owners are bound.

9.2 Commercial Units. The commercial units may be occupied only by businesses that use such units in a manner which is compatible with the residential use of the balance of the units in the Condominium. These units will include, but are not necessarily limited to, commercial shops.

delicatessens or restaurants (not including fast food restaurants), professional offices, and other similar uses. Specifically prohibited are uses which include the sale of hard liquor, pornography (including erotic literature, objects or similar merchandise), video or amusement centers or arcades, motorized vehicular repair, and uses which would generate substantial noise, such as convenience markets, taverns, dance halls and similar uses. Written authorization for any particular use of the commercial space must be received from the Association in writing. Such authorization shall not be unreasonably withheld subject to the provisions of this paragraph.

#### ARTICLE X

##### Service of Process

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

#### ARTICLE XI

##### The Association of Unit Owners

11.1 Organization. Upon the recording of this Declaration, an association of unit owners shall be organized to serve as a means through which the unit owners may take action with regard to the administration, management, and operation of the Condominium. The name of this Association shall be the "Association of Unit Owners of La Torre, an Oregon Condominium" (herein "Association"), and the Association shall be an unincorporated association unless incorporated pursuant to Article 1.5 of the Bylaws.

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

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

11.4 Adoption of the Bylaws, Appointment of Interim Board, and Designation of Manager. Upon the execution and filing of this Declaration, the Declarant shall adopt Bylaws for the Association. At the same time, the Declarant will appoint an interim Board of Directors of the Association, which directors shall serve until their successors have been elected at the turnover meeting as provided in the Bylaws. Such interim Board of Directors may appoint a manager or managing agent for the Condominium on behalf of the Association, and such manager or managing agent shall have complete authority to assume full control and responsibility for the management, operation, and maintenance of the Condominium from the date of its formation at the expense of the Association.

Any management, service, or employment agreement entered into prior to the turnover meeting which is made directly by or on behalf of the Association, the Board of Directors, or the unit owners shall be for a term not in excess of three (3) years, and may be terminated without penalty by the Association or the Board of Directors upon not less than thirty (30) days written notice given not more than sixty (60) days after the turnover meeting required by ORS 100.210.

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**ARTICLE XII**  
**Rights of Mortgagees**

12.1 Approval Required. In addition to any other approvals required by the Oregon Condominium Act, this Declaration, or the Bylaws, the prior written approval of seventy-five percent (75%) of the holders of first mortgages of units in the Condominium (based upon one vote for each mortgage owned) must be obtained for the following:

12.1.1 The abandonment, termination, or removal of the property from the provisions of the Oregon Condominium Act, except when provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

12.1.2 The partition or subdivision of any unit or of the common elements;

12.1.3 Any material amendment to this Declaration or the Bylaws. A change to the following would be considered as material:

- a. Voting rights;
- b. Assessments, assessment liens, or the priority of assessment liens;
- c. Reserves for maintenance, repair, and replacement of common elements;
- d. Responsibility for maintenance and repairs;
- e. Reallocation of interests in the general or limited common elements or rights to their use;
- f. Redefinition of any unit boundaries;
- g. Convertability of units into common elements or vice versa;
- h. Expansion or contraction of the project, or the addition, annexation, or withdrawal of property to or from the project;
- i. Insurance or fidelity bond;
- j. Leasing of units;
- k. Imposition of any restrictions on a unit owner's right to sell or transfer his or her unit;
- l. A decision by the Association to establish self-management when professional management had been required previously by the project's documents or by an eligible mortgage holder;
- m. Restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration or the Bylaws;
- n. Any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or

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- o. Any provisions that expressly benefit mortgage holders, insurers, or guarantors.

12.1.4 Abandonment, encumbrance, sale, or transfer of the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Condominium shall not be deemed a transfer within the meaning of this clause; or

12.1.5 Use of hazard insurance proceeds for losses to any Condominium property, whether to units or to common elements, for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the units and/or common elements of the Condominium.

12.2 In addition to the approvals required in Section 12.1, each mortgagee (or beneficiary of a trust deed or vendor and including guarantors) shall have the following rights:

12.2.1 Right to Examine Books and Records. All mortgagees shall have the right to examine the books and records of the Association or the Condominium property upon reasonable notice and at reasonable times.

12.2.2 Right to Annual Reports. All mortgagees shall, upon request, be entitled to receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association.

12.2.3 Right to Receive Written Notice of Meetings. The Association shall give all mortgagees, upon request, written notice of all meetings of the Association, and such mortgagees shall be permitted to designate a representative to attend all such meetings.

12.2.4 Notice in Event of Loss or a Taking. The Association shall give all mortgagees written notice of any loss to, or taking of, the common elements of the Condominium project, or a unit in the Condominium project if such loss or taking exceeds \$10,000 with respect to the common elements, or \$1,000 with respect to any unit.

12.2.5 Merge with Successor Condominium Regime. The Condominium may not be amended or merged with a successor condominium regime without prior written approval of the Secretary for the Department of Veteran's Affairs.

### ARTICLE XIII General Covenants

13.1 Easements. The Declarant and the Declarant's agents, successors, and assigns shall have an easement over and upon the common elements for the purpose of completing or making repairs to existing structures and carrying out sales and rental activities necessary or convenient for the sale or rental of units, including, without limitation, the right to use the units owned by the Declarant as model units and the right to use a unit as a sales office. Each residential unit shall have an easement over each commercial unit to the extent necessary to accommodate utility service and drain lines serving such residential unit.

13.2 Right of Entry. A unit owner shall grant the right of entry to the Board of Directors of the Association, managing agent, manager, or any other person authorized by the Board of Directors, in the case of any emergency originating in or threatening his unit or other Condominium property, whether or not the owner is present at the time. A unit owner shall also permit such persons to enter his unit for the purpose of performing installations, alterations, or repairs to any common

element and for the purpose of inspection to verify that the unit owner is complying with the restrictions and requirements described in this Declaration and the Bylaws, provided that requests for entry are made in advance and such entry is at a time convenient to the owner.

13.3 Encroachments.

13.3.1 Pursuant to ORS 100.520, each unit and all common elements shall have an easement over all adjoining units and common elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching units and common elements so long as the encroachments shall exist, and except as otherwise provided in subsection 2 of this section, the rights and obligations of owners shall not be altered in any way by the encroachment.

13.3.2 The easement described under subsection 1 of this section does not relieve a unit owner of liability in case of willful misconduct of a unit owner or relieve a declarant or any contractor, subcontractor, or materialman of liability for failure to adhere to the plat and floor plans.

13.3.3 The encroachments described in subsection 1 of this section shall not be construed to be encumbrances affecting the marketability of title to any unit.

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

13.5 Covenant of Contribution. No owner of a unit may exempt himself from liability for his contribution toward the common expenses by a waiver of the use of, or enjoyment of any of the common elements, or by abandonment of his unit.

13.6 Enforcement. The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, or by any owner, to enforce any covenant or restriction herein contained, shall in no event be deemed a waiver of the right to do so thereafter.

13.7 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

13.8 Authority to Grant Easements, Rights-Of-Way, Licenses, and Other Similar Interests. Pursuant to ORS 100.405(5), the Association shall have the authority to execute, acknowledge, deliver, and record on behalf of the unit owners, leases, easements, rights-of-way, licenses, and other similar interests affecting the general common elements and consent to vacation of roadways within and adjacent to the Condominium. The granting of a lease in excess of two (2) years or any such other interest or consent shall first be approved by at least seventy-five percent (75%) of the unit owners as required by ORS 100.405. Unless this Declaration otherwise provides, a lease of general common elements for a term of two (2) years or less shall not be considered the granting of an interest for which approval is required under this section. The instrument granting any such interest or consent shall be executed by the chairman and secretary of the Association and acknowledged in the manner provided for acknowledgement of such instruments by such officers, and shall state that such grant or consent was approved by at least seventy-five percent (75%) of the unit owners.



The foregoing declaration is approved pursuant to ORS 100.110 this 25 day of July, 1996.

MULTNOMAH COUNTY TAX ASSESSOR

By: Carol Nichols  
Deputy

The foregoing declaration is approved pursuant to ORS 100.110 this 15<sup>th</sup> day of July, 1996.

REAL ESTATE COMMISSIONER

By: Stan F. Mayhew

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**Exhibit A**

**Legal Description**

Lots 1 and 2, and the East 6 inches of Lot 3, Block 15, NORTH PORTLAND, in the City of Portland,  
County of Multnomah and State of Oregon.--

//

EXHIBIT B

| Unit Number    | Approximate Square Footage | Allocation of Percentage Interest |
|----------------|----------------------------|-----------------------------------|
| 201            | 1270                       | 7.6%                              |
| 202            | 1282                       | 7.7%                              |
| 203            | 1304                       | 7.8%                              |
| 204            | 1004                       | 6.0%                              |
| 205            | 1304                       | 7.8%                              |
| 206            | 1004                       | 6.0%                              |
| 207            | 1304                       | 7.8%                              |
| 208            | 1004                       | 6.0%                              |
| 209            | 1291                       | 7.7%                              |
| 210            | 1318                       | 7.9%                              |
| Commercial 101 | 928                        | 5.6%                              |
| Commercial 102 | 1474                       | 8.8%                              |
| Commercial 103 | 836                        | 5.0%                              |
| Commercial 104 | 1392                       | 8.3%                              |

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EXHIBIT C

| Unit Number    | Limited Common Element<br>Parking Space |
|----------------|---|
| 201            | P-N                                     |
| 202            | P-M                                     |
| 203            | P-L                                     |
| 204            | P-C                                     |
| 205            | P-K                                     |
| 206            | P-E                                     |
| 207            | P-J                                     |
| 208            | P-G                                     |
| 209            | P-I                                     |
| 210            | P-H                                     |
| Commercial 101 | P-A                                     |
| Commercial 102 | P-B                                     |
| Commercial 103 | P-D                                     |
| Commercial 104 | P-F                                     |

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Recorded in the County of Multnomah, Oregon  
C. Swick, Deputy Clerk



123.00

96112541 2:32pm 07/25/96

013 20002488 02 12  
C06 24 0.00 120.00 0.00 3.00 0.00

WHEN RECORDED, RETURN TO:

A.R. Vial Associates, P.C.  
12725 SW 66th Avenue, Suite 107  
Portland, OR 97223-2546  
(503) 684-4111

BYLAWS  
OF THE  
ASSOCIATION OF UNIT OWNERS OF  
LA TORRE,  
AN OREGON CONDOMINIUM

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ARTICLE I  
Plan of Condominium Ownership

1.1 Name and Location. These are the Bylaws of the Association of Unit Owners of La Torre, an Oregon Condominium (herein "Association"). La Torre, an Oregon Condominium (herein "Condominium") is located in Multnomah County, Oregon, and has been submitted to the provisions of the Oregon Condominium Act (ORS 100.005 et seq.) by a Declaration filed simultaneously herewith.

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

1.3 Applicability of Bylaws. The Association, all unit owners, and all persons using the Condominium property shall be subject to these Bylaws and to all rules and regulations which may be promulgated hereunder.

1.4 Composition of the Association. The Association shall be composed of all the unit owners of the Condominium, including Venerable Properties, Inc. (herein "Declarant"), and the Association, itself, to the extent any of these own any unit or units of the Condominium.

1.5 Incorporation. Upon approval of seventy-five percent (75%) of the unit owners, the Association may be incorporated under the Oregon Non-Profit Corporation Law. In such event, the Articles of Incorporation shall be consistent with the Declaration and these Bylaws, and these Bylaws shall constitute the Bylaws of the incorporated Association.

1.6 Definitions. The definitions contained in or adopted by the Declaration shall be applicable to these Bylaws. In addition, all definitions as found in ORS 100.005 shall be applicable unless stated otherwise herein.

ARTICLE II  
Voting

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

2.2 Determination of 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 said Association until such time as such person's ownership ceases for any reason. Unit ownership shall be determined, for all purposes of the Condominium Declaration (herein "Declaration") and these Bylaws, and the administration of the property, from the record of unit ownership maintained by the Association. The record shall be established by the unit owner filing with the Association a copy of the deed or land sale contract for his unit, to which shall be affixed the certificate of the recording officer of Multnomah County, Oregon, showing the date and place of recording of such deed or contract. Notwithstanding the foregoing, the Declarant shall be the owner of all previously unsold units although no deed or land sale contract, with respect to such units, has been filed with the Association.

2.3 Proxies. A vote may be cast in person or by proxy. A proxy given by a unit owner to any person who represents such owner at meetings of the Association shall be in writing and signed by such owner and shall be filed with the secretary. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy, and every proxy shall automatically cease upon sale of the unit by its owner. A unit owner may pledge or assign his voting rights to a mortgagee. In such a case, the mortgagee or its designated representative shall be entitled to receive all notices to which the unit owner is entitled hereunder and to exercise the unit owner's voting rights from and after the time that the mortgagee shall give written notice of such pledge or assignment to the Board of Directors. Any first mortgagee may designate a representative to attend all or any meetings of the Association.

2.4 Fiduciaries and Joint Owners. An executor, administrator, guardian, or trustee may vote in person or by proxy, at any meeting of the Association with respect to any unit owned or held 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 or more persons jointly, according to the records of the Association, the vote of such unit may be exercised by any one of the owners then present, in the absence of protest by a co-owner. In the event of such protest no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners the vote of such unit shall be disregarded completely in determining the proportion of votes given with respect to such matter.

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

2.6 Quorum of Unit Owners. At any meeting of the Association, members holding fifty percent (50%) of the voting rights present in person or by proxy, shall constitute a quorum. The subsequent joinder of a unit owner, in the action taken at a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting it cannot be broken by the subsequent withdrawal of a unit owner or owners. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

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

### ARTICLE III Meetings of the Association

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

3.2 Turnover Meeting. The Declarant shall call the Turnover Meeting pursuant to the provisions of Section 3.5 herein within ninety (90) days from three (3) years from the date of conveyance of the first unit to a person other than the Declarant or within ninety (90) days of the time the Declarant has sold or



conveyed seventy-five percent (75%) of the units, whichever is earlier. The purpose of the meeting shall be to organize the Association and to elect directors.

If the turnover meeting is not called within the time specified, the meeting may be called and notice given by any unit owner or first mortgagee of a unit. At the turnover meeting:

(a) The Declarant shall relinquish control of the administration of the association of unit owners and the unit owners shall assume the control;

(b) The unit owners shall elect a Board of Directors in accordance with the Bylaws of the Condominium; and

(c) The Declarant shall deliver to the Association all property of the unit owners and association of unit owners held or controlled by the Declarant including, but not limited to, the following items if applicable:

(1) The original or a photocopy of the recorded Declaration and Bylaws of the Condominium and any supplements and amendments thereto.

(2) A copy of the Articles of Incorporation if the Association is an incorporated association.

(3) The minute books, including all minutes and other books and records of the Association.

(4) Any rules and regulations which have been promulgated.

(5) Resignations of officers and members of the interim Board of Directors.

(6) A report of the present financial condition of the association of unit owners. The report shall consist of a balance sheet and an income and expense statement for the preceding twelve (12) month period or the period following the recording of the Declaration, whichever period is less.

(7) The Association's funds or control thereof, including, but not limited to, any bank signature cards.

(8) All tangible personal property that is property of the Association and an inventory of such property.

(9) A copy of the following, if available:

a. The as-built architectural structural, engineering, mechanical, electrical, and plumbing plans.

b. The original specifications indicating thereon all material changes.

c. The plans for underground site service, site grading, drainage, and landscaping together with cable television drawings.

d. Any other plans and information relevant to future repair or maintenance of the property.

- (10) Insurance policies.
- (11) Copies of any occupancy permits which have been issued for the Condominium.
- (12) Any other permits issued by governmental bodies applicable to the Condominium in force or issued within one (1) year prior to the date the unit owners assume control of the administration of the association of unit owners.
- (13) A list of the general contractor and subcontractors responsible for construction or installation of the major plumbing, electrical, mechanical, and structural components of the common elements.
- (14) A roster of unit owners and their addresses and telephone numbers, if known, as shown on the records of the Declarant.
- (15) Leases of the common elements and any other leases to which the Association is a party.
- (16) Employment or service contracts in which the Association is one of the contracting parties; or service contracts in which the Association or the unit owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charges of the person performing the service.
- (17) Any other contracts to which the Association is a party.

(d) In order 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 under subsection 3 of this section.

(e) If the Declarant has complied with this section, unless the Declarant otherwise has sufficient voting rights as a unit owner to control the Association, the Declarant shall be relieved of any further responsibility for the administration of the Association except as unit owner of any unsold unit.

3.3 Annual Meetings. The annual meetings of the Association shall be held on or about March 15th at such hour as the chairman may designate, or if the chairman should fail to designate such date by the first day of April 1st, then on the last Monday in April. The annual meetings shall be for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

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

3.5 Notice of Meetings. Notice of all meetings of the Association stating the time and place and the objects for which the meeting is being called, shall be given by the chairman or secretary. If no Association has been formed, notice of the meeting called to form the transitional committee and notice of the turnover meeting shall be given by the Declarant. All notices shall be in writing and mailed to each unit owner at his address as it appears on the books of the Association and to any first mortgagee

requesting such notice not less than ten (10) days nor more than fifty (50) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of the meetings may be waived by any unit owner before or after meetings. When a meeting is adjourned for less than thirty (30) days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

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

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

#### ARTICLE IV Board of Directors

4.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons all of whom must be a unit owner or the co-owner of a unit. Two directors shall be from the residential units and one director shall be from the commercial units. The interim board established by the Declarant may be composed of a minimum of three (3) persons. Owners of the same unit may not serve as directors simultaneously.

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 be responsible for the following matters:

- (a) Care, upkeep, and supervision of the Condominium and the general common elements if any; 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.
- (b) Designation and collection of monthly assessments from the owners in accordance with these Bylaws, the Declaration, and the Oregon Condominium Act.
- (c) Payment of all common expenses of the Association, and institution and maintenance of a voucher system for payment, which shall require a sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of the Association's funds.
- (d) Designation and dismissal of the personnel necessary for the maintenance and operation of the Condominium, the general common elements, and the limited common elements, if any.

(e) Subject to the limitations of the Oregon Condominium Act, leasing, subleasing, or hypothecation in any manner of the general common elements, if any, of the Condominium which have or may have any income producing potential.

(f) Promulgation and enforcement of rules of conduct for unit owners, employees, and invitees which shall be consistent with the restrictions set out in Article VII, Section 7.3 of these Bylaws.

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

4.5 Interim Directors. Upon the filing of the Declaration submitting the Condominium to the Oregon Condominium Act, the Declarant hereby appoints the following interim board of three (3) directors, who shall serve until replaced by the Declarant or their successors have been elected by the unit owner as provided below:

Art DeMuro

Susan DeMuro

Craig Kelly

4.6 Election and Term of Office. At the turnover meeting called by the Declarant, pursuant to Section 3.2 of these Bylaws, the interim directors shall resign and three (3) successors shall be elected. Directors shall hold office for a term of one (1) year or until their respective successors have been elected by the unit owners. Election shall be by plurality.

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

4.8 Removal of Directors. At any legal annual or special meeting, other than a meeting by ballot, any one or more of the directors may be removed, with or without cause, by a majority of the owners and a successor may be then and there elected to fill the vacancy thus created. Any director whose removal has been proposed by the owners may be given an opportunity to be heard at the meeting.

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

4.10 Regular and Special Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Special meetings of the Board of Directors may be called by the chairman and must be called by the secretary at the written request of at least two (2) directors. Notice of any special meeting shall be given to each director, personally or by mail, telephone, or telegraph at least seven (7) days prior to the day named for such meeting and shall state the time, place, and purpose of such meeting. All meetings of the Board of Directors shall be open to unit owners. Such meetings may be conducted by telephonic communication.

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

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

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

4.13 Liability and Indemnification of Directors, Officers, Manager, or Managing Agent. The directors and officers shall not be liable to the Association for any mistake of judgment, negligence, or otherwise except for their own willful misconduct or bad faith. The Association shall indemnify and hold harmless each director and officer and the manager or managing agent, if any, against all contractual liability to others arising out of contracts made by the Board of Directors, officers, manager, or managing agent on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws. Each director and officer and the manager or managing agent, if any, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees reasonably incurred or imposed upon them in connection with any proceeding to which they may be a party or which they may become involved, by reason of being or having been a director, officer, manager or managing agent and shall be indemnified upon any reasonable settlement thereof; provided, however, there shall be no indemnity if the director, officer, manager, or managing agent is adjudged guilty of willful nonfeasance, misfeasance, or malfeasance in the performance of his duties.

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

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

#### ARTICLE V Officers

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

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

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 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 which are usually vested in the office of chairman 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. The chairman shall be entitled to vote at Board of Directors meetings only in case of a tie vote at any such meeting and his vote shall be final.

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

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

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

#### ARTICLE VI Budget, Expenses and Assessments

6.1 Budget. The Board of Directors shall, from time to time and at least annually, prepare a budget for the Association; estimate the common expenses expected to be incurred, less any previous overassessment; and assess the common expenses to each unit owner in the proportion set forth in the Declaration.

6.2 Determination of Common Expenses. Common expenses shall include:

- (a) Expenses of administration;
- (b) Expenses of maintenance, repair, or replacement of common elements;
- (c) Cost of insurance or bonds obtained in accordance with these Bylaws;
- (d) A general operating reserve;
- (e) Reserve for replacements and deferred maintenance as set forth in Section 6.4;
- (f) Any deficit in common expenses for any prior period;

(h) Any other items properly chargeable as an expense of the Association.

6.3 Assessment of Unit Owners. All unit owners shall be obliged to pay common expenses assessed to them by the Board of Directors on behalf of the Association pursuant to these Bylaws and the Declaration. Assessments may not be waived due to limited or nonuse of common elements. The Declarant shall be assessed as the unit owner of any unsold unit, but such assessment shall be prorated to the date of sale of the unit. Assessments shall commence upon closing of the first sale of a unit in the Condominium. At the time of closing of the initial sale of each unit the purchaser shall make an initial contribution to the working capital of the Association equal to three (3) months of the Association's assessments for the unit. The Board of Directors, on behalf of the Association, shall assess the common expenses against the unit owners, from time to time and at least annually, and shall take prompt action to collect from a unit owner any common expense due which remains unpaid by him for more than thirty (30) days from the due date for its payment.

6.4 Reserves. A portion of the common expense collected from each unit owner shall be placed in an account separate from the general operating account of the Association in accordance with ORS 100.175. This separate account is to be used as a reserve account for major maintenance and replacement of those common elements all or part of which would normally require replacement in more than three (3) or less than thirty (30) years from the time the budget is determined by the Board of Directors.

Following the second year after the turnover meeting, described in Section 3.2 hereof, future assessments for the reserve account may be reduced, eliminated, or increased by an affirmative vote of not less than seventy-five percent (75%) of the unit owners.

This assessment shall accrue from the time of the conveyance of the first unit to an owner other than the Declarant. The Declarant, however, may elect to defer payment of the accrued reserve portion of the common assessment until conveyance to a purchaser.

The reserve account shall be used only for the purposes outlined in this section; provided, however, that after the turnover meeting set forth in Section 3.2 the Board of Directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet other temporary expenses which will later be paid from special assessments or maintenance fees. The reserve account may be invested by the Board of Directors subject to normal prudent investment standards.

Assessments paid into the reserve account shall be the property of the Association and are not refundable to sellers of units. Sellers of units may treat their outstanding share of the reserve account as a separate item in any agreement for the sale of their units.

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

6.6 Default in Payment of Common Expenses. In the event of default by any unit owner in paying to the Association the assessed common expenses, such unit owner shall be liable for late payment charge at the rate of twelve percent (12%) per annum on such common expenses from the due date thereof or at such greater rate as may be established by the Board of Directors, from time to time, not to exceed the maximum lawful rate, if any. In addition, the defaulting unit owner shall pay any other reasonable late charge established by the Board of Directors, from time to time, together with all expenses incurred by the Association in collecting such unpaid expenses including attorneys' fees (whether or not

suit is instituted, and at trial or any appeal therefrom). The Board of Directors shall have the right and duty to recover for Association such common expenses together with such charges, interest, and expenses of the proceeding, including attorneys' fees, by an action brought against such unit owner or by foreclosure of the lien upon the unit granted by the Oregon Condominium Act. The Board of Directors shall notify the holder of any first mortgage upon a unit of any default not cured within thirty (30) days of the date of default.

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

**6.8 Statement of Common Expenses.** The Board of Directors shall advise each unit owner in writing of the amount of common expenses payable by him and furnish copies of each budget, on which such common expenses are based to all unit owners and, if requested, to their mortgagees. The Board of Directors shall promptly provide any unit owner who makes a request in writing with a written statement of his unpaid common expenses.

**6.9 Priority of Lien: First Mortgages.**

**6.9.1** Any lien of the Association against a unit for common expenses shall be subordinate to tax and assessment liens and any prior mortgage of record.

**6.9.2** Notwithstanding the above, and pursuant to ORS 100.450(7), the priority established for a lien for unpaid assessments and interest due the Association shall be prior to the lien of any prior mortgage or trust deed of record for the unit and the undivided interest in the common elements if:

(a) The Association has given the lender under the mortgage or trust deed ninety (90) days notice that the owner of the unit is in default of payment of an assessment. The notice shall contain:

- (1) Name of borrower;
- (2) Recording date of trust deed or mortgage;
- (3) Recording information;
- (4) Name of condominium, unit owner and unit identification; and
- (5) Amount of unpaid assessment.

(b) The notice under paragraph (a) of this subsection shall set forth the following in ten-point type: NOTICE: The lien of the association may become prior to that of the lender pursuant to ORS 100.450.

(c) The lender has not initiated judicial action to foreclose the mortgage or request issuance of a trustee's notice of sale under the trust deed or accepted a deed in lieu of foreclosure in the circumstances described in ORS 100.465 prior to the expiration of ninety (90) days following the notice by the Association.



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

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

(f) A copy of the notice described in paragraph (a) of this subsection has been verified, filed and recorded.

6.9.3 Subject to the foregoing section 6.9.2, where the purchaser or mortgagee of a unit obtains title to the unit as result of foreclosure of a first mortgage or by deed in lieu of foreclosure, such purchaser or mortgagee, his successors and assign, shall not be liable for any of the common expenses chargeable to the unit which became due prior to the acquisition of title by the purchaser or the mortgagee in the following circumstances:

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

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

#### ARTICLE VII

##### Maintenance and Use of the Condominium Property

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

(a) Units and Limited Common Elements. All maintenance of and repairs to any unit and such unit's accompanying limited common elements shall be made by the owner of such unit; who shall keep the same in good order, condition, and repair; and shall do all redecorating, painting, and staining which at any time may be necessary to maintain the good appearance and condition of his unit and limited common element. In addition, each unit owner shall be responsible for the maintenance, repair, or replacement of windows and doors and any plumbing, heating, or air conditioning fixtures, telephones, water heaters, fans, lighting fixtures and lamps, fireplaces, refrigerators, dishwashers, ranges, or other appliances and accessories that may be in or connected with his unit.

(b) Common Elements. All maintenance, repairs, and replacements to the general common elements shall be made by the Association and shall be charged to all the unit owners as a common expense.

7.2 Additions, Alterations, or Improvements.

(a) A unit owner may make any improvement or alteration to his unit that does not impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium.

(b) After acquiring an adjoining unit, or an adjoining part of an adjoining unit, a unit owner may submit a written request to the Board of Directors for permission to remove or alter any intervening partition or to create apertures therein even if the partition, in whole or in part, is a common element. The Board of Directors shall approve the change unless it determines within forty-five (45) days that the proposed change will impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium. The Board of Directors may require the unit owner, at his own expense, to submit an opinion of a registered architect or registered professional engineer that the proposed change will not impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries. Expenses incurred in amending the Declaration, plat, and floor plans in conjunction with an alteration as set forth herein shall be borne by the affected unit owners.

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

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

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

(a) No commercial activities of any kind shall be carried on in any residential unit or in any other portion of the Condominium without the consent of the Board of Directors of the Association or manager except activities relating to the rental or sale of units. This provision, however, shall not be construed so as to prevent or prohibit a unit owner from maintaining his professional personal library; keeping his personal business or professional records or accounts; handling his personal business or professional telephone calls; or conferring with business or professional associates, clients, or customers, in his unit.

(b) The commercial units may be occupied only by businesses that use such units in a manner which is compatible with the residential use of the balance of the units in the Condominium. These units will include, but are not necessarily limited to, commercial shops, delicatessens or restaurants (not including fast food restaurants), professional offices, and other similar uses. Specifically prohibited are uses which include the sale of hard liquor, pornography (including erotic literature, objects or similar merchandise), video or amusement centers or arcades, motorized vehicular repair, and uses which would generate substantial noise, such as convenience markets, taverns, dance halls and similar uses. Written authorization for any particular use of the commercial space must be received from the Association in writing. Such authorization shall not be unreasonably withheld subject to the provisions of this paragraph. Nothing in this document shall be construed to limit the use of any commercial space for residential use.

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

(d) No animals, livestock, or poultry of any kind may be raised, bred, or kept in any unit except dogs, cats, or other household pets provided that they are not kept, bred, or maintained for

any commercial purpose. Those animals which are permitted shall not cause any noise or disturbance that would be deemed a nuisance to other unit owners. The owner of any dog or cat must keep said dog or cat on a leash or keep it confined in the unit or its assigned limited common element and no cat or dog shall be allowed to run free in the common elements.

(e) No part of the properties may be used or maintained as a dumping ground for rubbish, trash, garbage, or any other waste. No garbage, trash, or other waste may be kept or maintained on any part of the property except in a sanitary container as specified by the Association located within the building or within a trash enclosure hidden from public view. All such waste and garbage must be promptly and periodically removed.

(f) No noxious, offensive, or unsightly conditions are permitted upon any portion of the property; nor may anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

(g) No car parts, appliances, immobilized, or immobile vehicles shall be placed or stored upon any limited or general common element of the properties. Any such property so described will be removed after seventy-two (72) hours at the owner's expense.

(h) No clothes lines, clothes racks, or other apparatus on which clothes, rags, or similar items are exposed for the purpose of drying or airing shall be located on the property except with the boundaries of the units.

(i) No resident of a unit shall post any advertisement or poster of any kind in or upon the properties except as authorized by the Association.

(j) Residents shall exercise extreme care about making noises or the use of musical instruments, radios, televisions, or amplifiers that may disturb other residents.

(k) No garments, rugs, rags, laundry, or other clothing or materials shall be allowed to hang from the windows or from any of the facades of the properties or in open carports.

(l) No person will dust rugs or clean rugs from the windows or by beating them upon the exterior part of the properties.

(m) No owner, resident, lessee, or person shall install wiring for electrical or telephone installation, television or radio antenna, machines, or air conditioning units on the exterior of the properties or that protrude through the walls or the roof of any unit or building on the properties except as authorized by the Association.

(n) At no time shall parking be allowed within the Condominium except within clearly marked parking spaces as shown on the plat.

(o) The rental or lease of a unit for occupancy by tenants other than by the unit owner shall be for a period of not less than thirty (30) consecutive days. Upon the commencement of the lease period the unit owner shall provide written notice of such lease and also that the tenant has been provided with copies by the unit owner of the Declaration, Bylaws, amendments and all rules and regulations promulgated by the Board of Directors. If the unit owner shall fail to provide the tenant with copies of the documents specified herein, the Association shall provide said documents to the tenant and charge the copy expenses to the unit owner as a part of his assessments.

7.4 Association rules and regulations. In addition, the Board of Directors from time to time may adopt, modify, or revoke such rules and regulations governing the conduct of persons and the operation and use of the units and common elements as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the condominium property. Such action may be modified by vote of not less than seventy-five percent (75%) of the voting rights present, in person or by proxy, at any meeting, the notice of which shall have stated that such modification or revocation or rules and regulations will be under consideration. A copy of the rules and regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the secretary promptly to each unit owner and shall be binding upon all unit owners and occupants of all units from the date of delivery.

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

(a) To enter the unit in which or as to which such violation exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty of any manner of trespass; or

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

(c) To levy reasonable fines after giving notice and an opportunity to be heard. Such fines shall be treated in the same manner as common assessments.

Any expense incurred by the Association in remedying the default, damage incurred by the Association or unit owners, or fines so levied shall be assessed against the offending unit as a common expense and enforced as provided in Article VI. In addition, any aggrieved unit owner may bring an action to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

#### ARTICLE VIII Insurance

8.1 Insurance. For the benefit of the Association and units owners the Board of Directors shall obtain and maintain at all times and shall pay for out of common expense funds the following insurance:

(a) Property insurance covering loss or damage from occurrences including, but not limited to, fire, vandalism, and malicious mischief with extended coverage endorsement; and such other coverage such as flooding and earthquake, which the Association may deem desirable, for not less than the full insurable replacement value of the units and common elements. Such policy or policies shall name the Declarant, the Association, and the unit owners as insured as their interest may appear and shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees of each unit, if any.

(b) A policy or policies insuring the Declarant, the Association, the Board of Directors, unit owners, and managing agent against liability to the public or to the owners of units and of common elements and their invitees or tenants incident to the ownership or use of the property. There may be excluded from such policy or policies coverage of a unit owner (other than as a member of the Association or the Board of Directors) for liability arising out of acts or omission of such unit owner and liability incident

to the ownership and/or use of the part of the property as to which such unit owner has the exclusive use or occupancy. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) on a combined single limit basis. Such policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured; and

(c) Worker's compensation insurance to the extent necessary to comply with any applicable laws.

Each unit owner shall be responsible for obtaining, at his own expense, insurance covering his property not insured under paragraph (a) above and against his liability not covered under paragraph (b) above, unless the Association agrees otherwise.

8.2 Policies. Insurance obtained by the Association shall be governed by the following provisions:

(a) All policies shall be written with the State of Oregon or a company licensed to do business in the State of Oregon and holding a Commissioner's rating of "A" and a size rating of "AAA" or better by the Best's Insurance Reports, current at the time the insurance is written or prior to the turnover meeting of the Association, one acceptable to the Declarant.

(b) All losses under policies hereafter in force regarding the property shall be settled exclusively with the Board of Directors or its authorized representative. Proceeds of the policies shall be paid to the Association as trustee for the unit owners, or upon demand of any mortgage, to an insurance trustee acceptable to the Association and mortgages of units.

(c) Each unit owner shall be required to notify the Board of Directors of all improvements made by the owner to his unit, the value of which is in excess of Ten Thousand Dollars (\$10,000). Nothing in this paragraph shall permit an owner to make improvements without first obtaining the approval of the Board of Directors pursuant to Section 7.2.

(d) All owners shall be required to carry a personal effects fire and comprehensive personal liability and premises medical coverage policy. A copy of each such policy shall be filed with the Association within thirty (30) days after purchase.

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

(a) A waiver of subrogation with respect to fire insurance coverage by the insurer as to any claims against the Board of Directors, manager, unit owners and their respective servants, agents, and guests.

(b) 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.

(c) 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.

(d) A provision that any "no other insurance" clause in the master policy exclude individual owners' policies from consideration, and a waiver of the usual proration clause with respect to such policies.

(e) A provision that the insurer issue subpolicies specifying the portion of the 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 unit mortgagor-owner, the Association, or other unit owners, nor canceled for nonpayment of premiums.

(f) A rider on the 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 not limited to, taxes, rent, insurance, and mortgage payments. The proceeds from any casualty policy, whether held by the Association or a unit owner, payable with respect to any loss or damage to the common elements, shall be held in trust for the benefit of all insured as their interest may appear.

(g) 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 determine 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.

8.4 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 VIII. In determining the deductible under the policies, the Board, among other factors, shall take into consideration 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 are required to purchase 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, or in the alternative, any owner may notify the Board of Directors of his election to self-insure. Tenants are required to insure their own personal property for any loss or damage. The Board of Directors shall notify all owners of the amount of the deductible under the Association policies. To the extent reasonably practicable, the Board of Directors shall give at least thirty (30) days notice to the owners of any increase in the deductible proposed in renewal or replacement insurance policies. Owners and tenants of all units shall procure and maintain comprehensive liability policies having combined limits of not less than \$50,000 for each occurrence. Such insurance shall provide coverage for, but not limited to, 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 limited common elements and other units and the personal property of others located therein. Owners shall be responsible for notifying their tenants of the insurance requirements of this Section.

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**ARTICLE IX**  
**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. Reconstruction of the damaged or destroyed buildings, as used in this paragraph, means restoring the buildings to substantially the same condition in which they existed prior to the fire, casualty, or disaster with each unit; and the common element having the same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished under the direction of manager or the Board of Directors.

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, if three-fourths (3/4) or more in value of all the buildings are destroyed or substantially damaged and if the owner of at least three-fourths (3/4) of the units do not, voluntarily within sixty (60) days after such destruction or damage make provision for reconstruction, the manager or the Board of Directors shall record with the County Recorder an amendment to the Declaration which shall cause removal of the Condominium from the provisions of ORS 100.005 et seq. The amendment shall contain the information required by ORS 100.600. Upon the recording of the amendment the condominium property and the interest of each unit owner shall be treated in the following manner:

(a) The Condominium property shall be deemed to be owned in common by the owners.

(b) The respective interest of each unit owner in the property shall be determined by the provisions of ORS 100.610, which are in effect on the date the Condominium Declaration is recorded.

(c) Any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the undivided interests of the owners in the project.

(d) 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 the 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.** Notwithstanding all other provisions hereof, the owners may, subject to the Oregon Condominium Act, by an affirmative vote of sufficient owners to amend these Bylaws, cause an amendment to be made to the Condominium documents so as to facilitate architectural changes that the owners affected thereby and the Association deem desirable; if, and only if, the partial or total destruction of the Condominium or any buildings thereof, by fire, casualty, or any other disaster is so great as to require the substantial reconstruction of the whole of the Condominium or said buildings. Any such amendment of such Condominium documents shall be valid only upon: (1) the recording thereof with the recording officer of Multnomah County; and (2) the recording, with that recording officer, of the approval thereof of each mortgagee and each other lienholder of record having a lien against any part of the project or building affected by such amendment.

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**ARTICLE X**  
**Condemnation**

The Board of Directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain; and to sue or defend in any litigation, involving such bodies or persons with respect to the common elements of the Condominium, and shall assist any unit owner whose unit or a part thereof is the subject of any condemnation or eminent domain proceeding; provided, however, 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.

**ARTICLE XI**  
**Amendments to the Bylaws**

11.1 **How Proposed.** Amendments to the Bylaws shall be proposed by either a majority of the Board of Directors or by unit owners holding thirty percent (30%) of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon.

11.2 **Adoption.** Amendments may be approved by the Association at a duly constituted meeting or ballot meeting conducted for such purpose. A vote of a majority of the unit owners is required for approval of any amendment except those items appearing in Section 11.3 below.

Any amendment must be approved by the Declarant so long as the Declarant owns twenty-five percent (25%) or more of the units in the Condominium; provided, however, that no such consent shall be required after three (3) years from the date these Bylaws are recorded.

11.3 **Restricted Amendments.** Any amendments which relate to pets of unit owners, occupancy restrictions relating to the age or number of occupants, and the rental of units by unit owners shall require the approval of seventy-five percent (75%) of the voting rights of the unit owners. Any such amendment must be reasonable in light of all of the facts and circumstances as affect the Association at the time the amendment is made.

11.4 **Execution and Recording.** An amendment shall not be effective until certified by the chairman and secretary of the Association, approved by the Real Estate Commissioner, if required by the Oregon Condominium Act, and recorded as required by law.

**ARTICLE XII**  
**Records and Audits**

12.1 **General Records.** The Board of Directors and managing agent or manager, if any, shall keep detailed records of the actions of the Board of Directors and managing agent or manager; minutes of the meetings of the Board of Directors; and minutes of the meeting of the Association. The Board of Directors shall maintain a Book of Resolutions containing the rules, regulations, and policies adopted by the Association, Board of Directors, and the manager. The Board of Directors shall maintain a list of owners entitled to vote at meetings of the Association and a list of all mortgagees of units.



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 normal business 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 Vouchers. The Treasurer shall pay all vouchers up to One Thousand Dollars (\$1,000) signed by the chairman, managing agent, manager, or other person authorized by the Board of Directors. Any voucher in excess of \$1,000 shall require the signature of the chairman.

12.5 Reports and Audits. An annual report of the receipts and expenditures of the Association and a balance sheet showing assets and liabilities shall be rendered by the Board of Directors to all unit owners and to all mortgagees of units within ninety (90) days after the end of each fiscal year. From time to time the Board of Directors, at the expense of the Association, may obtain an audit of the books and records pertaining to the Association and furnish copies thereof to the owners and such mortgagees. At any time any owner or mortgagee may, at his own expense, 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, unit owner shall promptly inform the secretary or manager of the name and address of said vendee, mortgagee, lessee, or tenant.

12.7 Inspection of Records by Unit Owners. The Association shall maintain all of the documents delivered by the Declarant pursuant to Section 3.2. These and all other records of the Association shall be reasonably available for examination by a unit owner and any mortgagee of a unit. Upon written request, the Association shall make available for duplication any such records. The Association may charge a reasonable fee for furnishing copies of any documents, information, or records described in this section.

#### ARTICLE XIII Miscellaneous

13.1 Notices. All notices to the Association or 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.

13.2 Waiver. No restriction, condition, obligation, or provision contained in these Bylaws or rules and regulations adopted pursuant hereto 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.

13.3 Action Without a Meeting. Any action which the Oregon Condominium Act, the Declaration, or these Bylaws require or permit the owners or directors to take at a meeting may be taken

without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the owners or directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the owners or directors, shall be filed in the record of minutes of the Association.

13.4 Reports. The Condominium Information Report, the Annual Report and any amendments to either report, along with the fees associated therewith, shall be submitted to the Real Estate Agency by the Board of Directors when due according to ORS 100.250.

13.5 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.

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

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THEREFORE, Venerable Properties, Inc. hereby adopts these Bylaws on behalf of the Association of Unit Owners of La Torre, an Oregon Condominium and certifies that they will be recorded simultaneously with the Declaration, Plat, and Floor Plans for said Condominium in the Deed Records of Multnomah County after approval by the Real Estate Commissioner and the Multnomah County Assessor.

DATED this 11 day of July, 1996

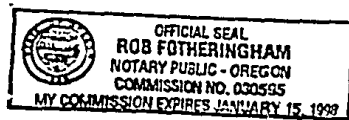
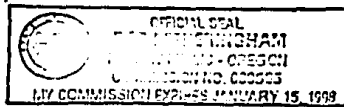
VENERABLE PROPERTIES, INC.

By: [Signature]  
Art DeMuro, President

By: [Signature]  
Susan DeMuro, Secretary

STATE OF OREGON )  
County of Washington

Personally appeared the above-named ART DEMURO and SUSAN DEMURO of the above mentioned Venerable Properties, Inc. being sworn stated that these Bylaws are voluntarily signed on behalf of the Association of Unit Owners of La Torre, an Oregon Condominium. Before me:



[Signature]  
Notary Public For Oregon  
My commission expires: 1/15/98

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