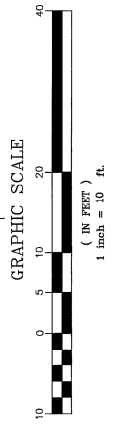


A PORTION OF LOT 6 OF BLOCK 28, "M. PATTON'S SECOND ADDITION TO ALBINA"
 LOCATED IN THE NW 1/4 OF SECTION 22, T1N, R1E, W1M,
 IN THE CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

DATE: JUNE 19, 2018
 JOB NO. 16-136 P:\16-136\16-136 CD.DWG

LEGEND

- - FOUND 5/8" IRON ROD WITH YELLOW PLASTIC CAP MARKED "W.B. WELLS & ASSOC. INC." HELD PER SN 65497
- - FOUND 5/8" IRON ROD WITH BLUE PLASTIC CAP MARKED "W.B. WELLS OFFSET POINT" HELD AS N00°00'21"E 2.00' PER SN 65497
- - SET 5/8" X 30" IRON ROD WITH YELLOW PLASTIC CAP MARKED "W.B. WELLS & ASSOC. INC." ON JUNE 12, 2018
- ⊙ - SET 1-1/8" COPPER DISC MARKED "W.B. WELLS" ON JUNE 12, 2018
- LCE - LIMITED COMMON ELEMENT
- GCE - GENERAL COMMON ELEMENT
- SN - SURVEY NUMBER, MULTNOMAH COUNTY SURVEY RECORDS
- DOC. NO. - DOCUMENT NUMBER, MULTNOMAH COUNTY DEED RECORDS
- 28 - BLOCK NUMBER

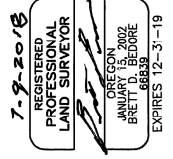


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- SHEET 1 - BOUNDARY, BUILDING LOCATIONS
- SHEET 2 - BUILDING FIRST FLOOR, SECOND FLOOR, BUILDING SECTION, UNIT AREA TABLE
- SHEET 3 - SURVEYOR'S CERTIFICATE, CERTIFICATE OF COMPLETION, NARRATIVE, DECLARATION, ACKNOWLEDGEMENT, AND APPROVALS

NOTES

1. BUILDING CORNERS ARE PERPENDICULAR.
2. DIMENSIONS AND BUILDING TIES SHOWN ARE TO THE EXTERIOR PERIMETER OF THE FOUNDATION LINE.

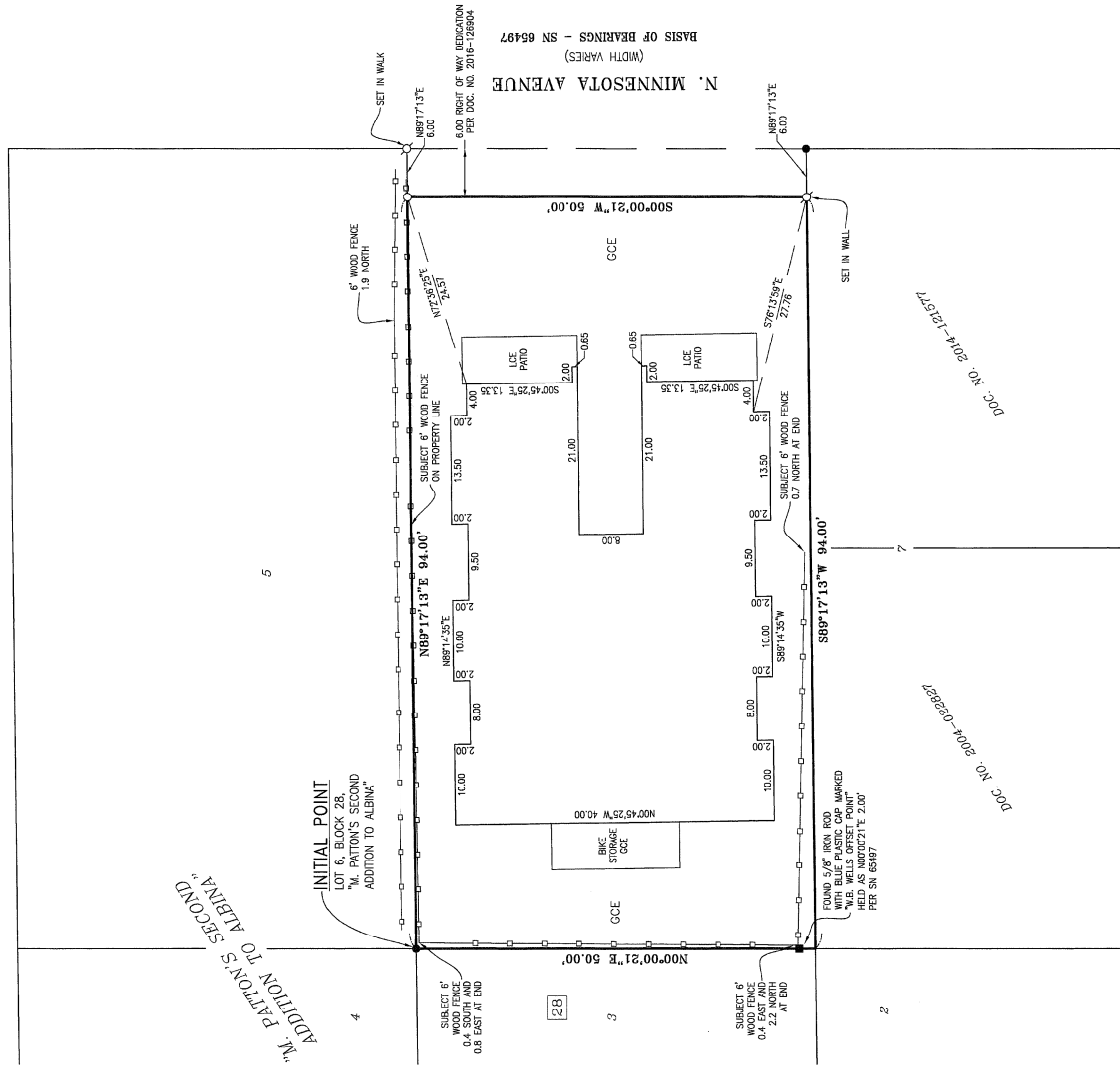


W.B. WELLS and associates, inc.
 ENGINEERS/SURVEYORS/PLANNERS
 1000 NE 10TH AVENUE, SUITE 100
 PORTLAND, OREGON 97218
 PHONE: (503) 286-9888 FAX: (503) 284-6600
 e-mail address: info@wbwells.com

SHEET 1 OF 3

JOB NO. 16-136 P:\16-136\16-136 CD.DWG KJM

N. WEBSTER AVENUE
 (60' WIDE)



DOC NO. 2004-129177

DOC NO. 2004-028287

A PORTION OF LOT 6 OF BLOCK 28, 1/4, PATTON'S SECOND ADDITION TO ALBINA,
 LOCATED IN THE NW 1/4 OF SECTION 22, T1N, R1E, 14M,
 IN THE CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

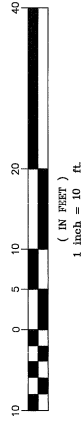
DATE: JUNE 19, 2018
 JOB NO. 16-136 P:\16-136\15-136 CD.DWG

LEGEND

- sq. ft. - SQUARE FEET
- CH - CEILING HEIGHT
- FE - FLOOR ELEVATION
- LCE - LIMITED COMMON ELEMENT

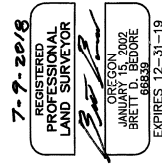


GRAPHIC SCALE



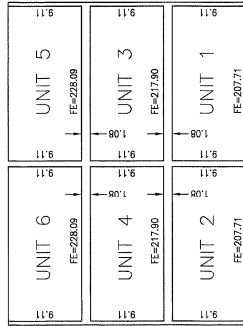
NOTES

1. BUILDING CORNERS ARE PERPENDICULAR.
2. ELEVATIONS ARE BASED ON CITY OF PORTLAND BENCHMARK NO. 3719,
 A FOUND 2-1/2" BRASS DISC LOCATED AT N. KILLINGSWORTH ST. AND
 N. MISSOURI AVE. SW CORNER, IN CURB OF MISSOURI EXTENDED
 ELEVATION = 204.872 FEET, CITY OF PORTLAND DATUM.
3. ALL GENERAL AND LIMITED COMMON ELEMENT LINES ARE PARALLEL WITH OR
 PERPENDICULAR TO THE BUILDING WALL LINES.
4. INTERIOR VERTICAL MEASUREMENTS ARE FROM SUBFLOOR TO CEILING JOIST.
 FIRST FLOOR, SECOND FLOOR, AND THIRD FLOOR INTERIOR HORIZONTAL
 MEASUREMENTS ARE FROM FACE OF STUD TO FACE OF STUD.
5. BOUNDARIES OF UNITS ARE THE INTERIOR PERIMETER OF ITS UNFINISHED
 SURFACES PER SECTION 4.3 OF THE CONDOMINIUM DECARATION.

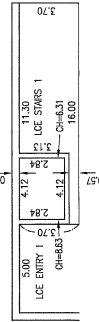


**W.B. WELLS
 and associates, inc.**
 ENGINEERS-SURVEYORS-PLANNERS
 6130 NE 78TH COURT, #C-11
 PORTLAND, OREGON 97218
 PHONE (503) 284-6888 FAX (503) 284-5830
 e-mail address: info@wbwells.com

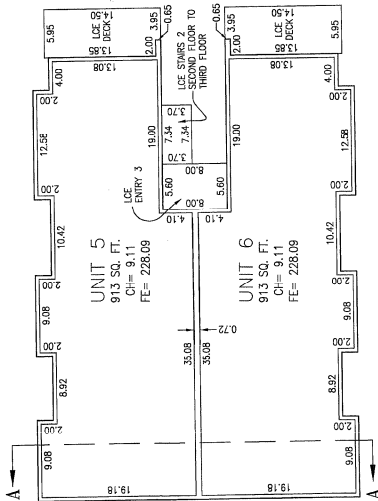
**BUILDING
 SECTION A-A**



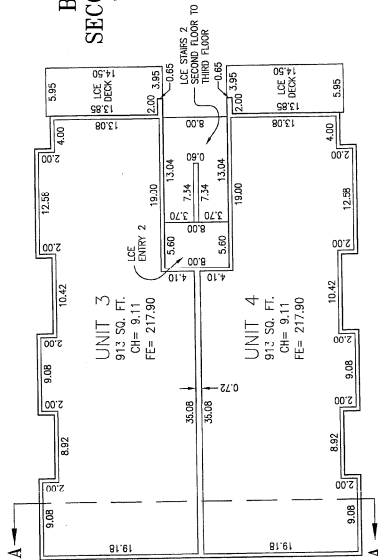
DETAIL
 NOT TO SCALE
 CH=9.11
 CH=8.31
 WALLS 0.25" WIDE OR AS NOTED
 FE= 207.71



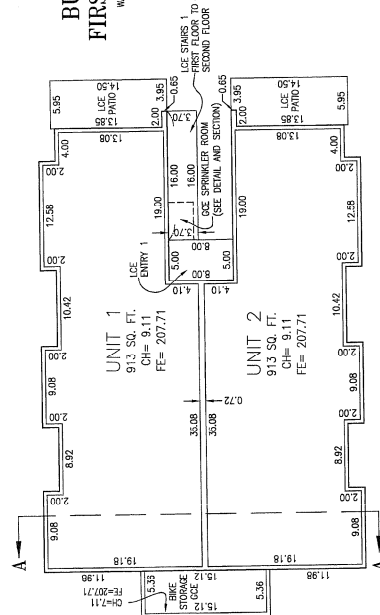
**BUILDING
 THIRD FLOOR**
 WALLS 0.48" WIDE
 OR AS NOTED



**BUILDING
 SECOND FLOOR**
 WALLS 0.48" WIDE
 OR AS NOTED



**BUILDING
 FIRST FLOOR**
 WALLS 0.48" WIDE
 OR AS NOTED



OVERLOOK FIFTY TWENTY FIVE CONDOMINIUMS

A PORTION OF LOT 6 OF BLOCK 28, "M. PATTON'S SECOND ADDITION TO ALBINA" LOCATED IN THE NW 1/4 OF SECTION 22, T1N, R1E, W1L, IN THE CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON

DATE: JUNE 19, 2018
JOB NO. 16-136 P:\16-136\16-136 CDD.DWG

SURVEYOR'S CERTIFICATE

I, BRETT D. BEDORE, CERTIFY THAT I HAVE CORRECTLY SURVEYED AND MARKED WITH PROPER MONUMENTS THE LAND REPRESENTED ON THE ANNEXED MAP OF "OVERLOOK FIFTY TWENTY FIVE CONDOMINIUMS", SAID LAND BEING DESCRIBED AS FOLLOWS:

LOT 6, BLOCK 28, "M. PATTON'S SECOND ADDITION TO ALBINA", MULTNOMAH COUNTY PLAT RECORDS, EXCEPT THEREFROM THE EAST 60.0 FEET DEDICATED FOR USE AS A PUBLIC STREET IN DEED FOR RIGHT-OF-WAY PURPOSES RECORDED OCTOBER 7, 2016 AS INSTRUMENT NO. 2016-126904, MULTNOMAH COUNTY DEED RECORDS, SITUATED IN THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 1 NORTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INITIAL POINT, A 5/8" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "W.B. WELLS & ASSOC." FOUND AT THE NORTHWEST CORNER OF SAID LOT 6; THENCE NORTH 89°17'13" EAST, ALONG THE NORTH LINE OF SAID LOT 6, A DISTANCE OF 94.00 FEET TO THE WEST LINE OF THE DEDICATION DESCRIBED IN SAID DOCUMENT NO. 2016-126904; THENCE SOUTH 00°00'21" WEST, ALONG SAID WEST LINE, A DISTANCE OF 50.00 FEET TO THE INTERSECTION OF SAID WEST LINE WITH THE SOUTH LINE OF SAID LOT 6; THENCE SOUTH 89°17'13" WEST, ALONG THE SOUTH LINE OF SAID LOT 6, A DISTANCE OF 84.00 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE NORTH 00°00'21" EAST, ALONG THE WEST LINE OF SAID LOT 6, A DISTANCE OF 50.00 FEET TO THE INITIAL POINT.

CONTAINING 4,700 SQUARE FEET.

CERTIFICATE OF COMPLETION

I, BRETT D. BEDORE, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE PLAT OF "OVERLOOK FIFTY TWENTY FIVE CONDOMINIUMS" FULLY AND ACCURATELY DEPICTS THE MONUMENTS AND BUILDINGS SHOWN ON THE ANNEXED MAP AND THAT THE CONSTRUCTION OF THE UNITS AND BUILDING AS DEPICTED ON THE PLAT WERE COMPLETED AS OF MAY 3, 2016.



NARRATIVE

THE PURPOSE OF THIS SURVEY IS TO "CREATE A CONDOMINIUM PLAT OF A PORTION OF LOT 6, BLOCK 28, "M. PATTON'S SECOND ADDITION TO ALBINA".

MONUMENTS SHOWN AS FOUND WERE TIED FROM AN OPEN TRAVERSE ON OCTOBER 18, 2016. THE BOUNDARY OF LOT 6 WAS HELD AS ESTABLISHED IN OUR PREVIOUS SURVEY FILED AS SURVEY NUMBER 65487, MULTNOMAH COUNTY SURVEY RECORDS. ALL BEARING DISTANCES AND MONUMENTS WERE HELD AS SHOWN IN SAID SURVEY. THE WEST LINE OF THE DEED FOR RIGHT-OF-WAY PURPOSES RECORDED OCTOBER 7, 2016 AS INSTRUMENT NO. 2016-126904, MULTNOMAH COUNTY DEED RECORDS, WAS ESTABLISHED PARALLEL WITH AND 6.00 FEET FROM THE EAST LINE OF LOT 6.

DECLARATION

I, ADRIAN VASILE, KNOW ALL PEOPLE BY THESE PRESENTS THAT URBAN DEVELOPMENT GROUP, INC. HAS BEEN AUTHORIZED BY THE BOARD OF DIRECTORS OF URBAN DEVELOPMENT GROUP, INC. TO EXECUTE THE ANNEXED MAP OF "OVERLOOK FIFTY TWENTY FIVE CONDOMINIUMS" AS DESCRIBED IN THE ACCOMPANYING SURVEYOR'S CERTIFICATE. TO BE A TRUE AND CORRECT MAP AND PLAT THEREOF, AND HEREBY COMMIT SAID LAND TO THE OPERATION OF THE OREGON CONDOMINIUM ACT AS LAID OUT IN CHAPTER 100 OF THE OREGON REVISED STATUTES. THE PROPERTY AND IMPROVEMENTS DESCRIBED AND DEPICTED ON THE PLAT ARE SUBJECT TO THE PROVISIONS OF OREGON REVISED STATUTES 100.005 TO 100.627.

BY: Adrian Vasile
ADRIAN VASILE
SOLE MEMBER
URBAN DEVELOPMENT GROUP, LLC

ACKNOWLEDGMENT

STATE OF OREGON)
COUNTY OF Multnomah)

THIS IS TO CERTIFY THAT ON THIS 9th DAY OF July 2018, BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID STATE AND COUNTY, PERSONALLY APPEARED ADRIAN VASILE, SOLE MEMBER OF URBAN DEVELOPMENT GROUP, LLC, AN OREGON LIMITED LIABILITY COMPANY, WHO HAS BEEN AUTHORIZED BY THE BOARD OF DIRECTORS OF URBAN DEVELOPMENT GROUP, LLC, TO EXECUTE THE ANNEXED MAP OF "OVERLOOK FIFTY TWENTY FIVE CONDOMINIUMS" AS DESCRIBED IN THE FOREGOING DECLARATION, AND THAT SAID DECLARATION WAS EXECUTED ON BEHALF OF URBAN DEVELOPMENT GROUP, LLC AND THAT HE EXECUTED SAID DECLARATION FREELY AND VOLUNTARILY.

BY: Lorise Elizabeth Cisen
NOTARY SIGNATURE
Lorise Elizabeth Cisen
NOTARY PUBLIC - OREGON
COMMISSION NO. 975066
MY COMMISSION EXPIRES May 20, 2022

APPROVALS

APPROVED THIS 12th DAY OF July 2018, BY: Melinda M. Stearns - Deputy
COUNTY SURVEYOR, MULTNOMAH COUNTY, OREGON

ALL TAXES, FEES, ASSESSMENTS OR OTHER CHARGES AS PROVIDED BY O.R.S. 100.110 HAVE BEEN PAID AS OF July 19, 2018, DIRECTOR, DIVISION OF ASSESSMENT AND TAXATION

BY: Michelle Rene
DEPUTY

STATE OF OREGON)
COUNTY OF MULTNOMAH)

I DO HEREBY CERTIFY THAT THE ATTACHED CONDOMINIUM PLAT WAS RECEIVED FOR RECORD AND RECORDED

July 18th, 2018, AT 11:25 AM,
IN BOOK 1312, ON PAGES 45-47
COUNTY RECORDING OFFICE

BY: Adam Z
DEPUTY
DOCUMENT NO. 2-DIB-075412



W.B. WELLS and associates, inc.
ENGINEERS-SURVEYORS-PLANNERS
6130 NE 78TH COURT, #C-11
PORTLAND, OREGON 97218
PHONE (503) 284-3888 FAX (503) 284-8800
e-mail address: info@wbwells.com

Multnomah County Official Records
E Murray, Deputy Clerk

2018-075413



\$432.00

02157161201800754130710714

07/18/2018 11:26:09 AM

After Recording Return To:
Rebecca Biermann Tom
Radler White Parks & Alexander LLP
111 SW Columbia Street, Suite 700
Portland, Oregon 97201

1R-DECLAR
\$355.00 \$11.00 \$60.00 \$6.00

Pgs=71 Stn=56 KINGAD

DECLARATION OF CONDOMINIUM OWNERSHIP FOR

OVERLOOK FIFTY TWENTY FIVE CONDOMINIUMS

Declarant: Urban Development Group, LLC, an Oregon limited liability company

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**DECLARATION OF CONDOMINIUM OWNERSHIP FOR
OVERLOOK FIFTY TWENTY FIVE CONDOMINIUMS**

This Declaration, to be effective upon its recording in the deed records of Multnomah County, Oregon, pursuant to the provisions of the Oregon Condominium Act, is made and executed by Urban Development Group, LLC, an Oregon limited liability company ("Declarant").

Declarant proposes to create a residential condominium to be known as Overlook Fifty Twenty Five Condominiums, located in the City of Portland, Multnomah County, Oregon, consisting of six Units. The purpose of this Declaration is to submit the Property (as defined below) to the condominium form of ownership and use in the manner provided by the Oregon Condominium Act.

1. Definitions and Interpretation.

1.1 Definitions. As used in this Declaration, the Articles of Incorporation of Overlook Fifty Twenty Five Condominiums Owners' Association, its Bylaws, its Rules and Regulations, and any exhibits hereto and thereto, unless the context shall otherwise require, the following definitions shall be applied:

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

1.1.2 Association shall mean Overlook Fifty Twenty Five Condominiums Owners' Association, the nonprofit corporation responsible for the administration, management, and operation of the Condominium.

1.1.3 Association Property shall mean real property or an interest in real property acquired, held or possessed by the Association.

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

1.1.5 Building shall mean the individual building containing Units in the Condominium.

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

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

1.1.8 Condominium shall mean the Property that is hereby submitted to condominium ownership and all improvements thereon or to be located thereon and all easements and rights appurtenant thereto.

1.1.9 Declaration shall mean this Declaration of Condominium Ownership for Overlook Fifty Twenty Five Condominiums and any amendments hereto.

1.1.10 General Common Elements shall mean those Common Elements designated in Section 5.

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

1.1.12 Limited Common Elements shall mean those Common Elements designated in Section 6.

1.1.13 Mortgage shall include a mortgage, a deed of trust and a contract for the sale of real estate.

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

1.1.15 Mortgage Insurer or Guarantor shall mean an insurer or governmental guarantor of a first Mortgage on a Unit.

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

1.1.17 Plat shall mean the plat of the Overlook Fifty Twenty Five Condominiums which is being recorded in the plat records of Multnomah County, Oregon, concurrently with this Declaration and any amendments of or supplements to such plat subsequently recorded.

1.1.18 Property shall mean the property submitted to the provisions of the Act, as described more particularly in Section 2.

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

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

1.1.21 Unit Sales Agreement shall mean the purchase agreement pursuant to which Owner purchased his or her Unit(s).

1.1.22 Units shall mean those parts of the Condominium comprised of the spaces enclosed by each of their respective boundaries as described in Section 4; Unit shall mean any one of the Units.

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

{00766422;3}

2- DECLARATION OF OVERLOOK FIFTY TWENTY FIVE CONDOMINIUMS

1.3 Mortgagee Approval. For purposes of determining the percentage of first Mortgagees approving a proposed decision or course of action in cases where a Mortgagee holds first Mortgages on more than one Unit, such Mortgagee shall be deemed a separate Mortgagee as to each such Unit.

1.4 Original Owner of Units. Declarant is the original Owner of all Units and will continue to be deemed the Owner of such Units until a conveyance or other documents changing the ownership of such Units are filed of record.

1.5 No Fiduciary Standard. In no event shall Declarant be deemed to be a fiduciary of the Owners or be held to a fiduciary standard with respect to activities hereunder. The foregoing language does not apply to officers or directors of the Association appointed by the Declarant.

1.6 Captions and Exhibits. The captions given herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. The various exhibits referred to herein and attached hereto shall be deemed incorporated herein by reference as though fully set forth where such reference is made.

1.7 Miscellaneous. All terms and words used in this Declaration, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require. "And/or" when applied to two or more matters or things shall be construed to apply to any one or more or all thereof, as the circumstances then warrant. "Herein," "hereof," "hereunder," and words of similar import shall be construed to refer to this Declaration as a whole, and not to any particular section, unless expressly stated otherwise.

2. Property Submitted. The Property hereby submitted to the provisions of the Act is the land owned in fee simple by Declarant and described on the attached Exhibit A, together with all easements, rights, and appurtenances belonging thereto and all improvements now existing or hereafter constructed on such land.

3. Name. The name by which the Property is to be identified is "Overlook Fifty Twenty Five Condominiums."

4. Units.

4.1 General Description of Building. The Condominium consists of one Building, which includes six Units and has three stories above ground. The Building is of wood construction on a concrete foundation and has a composition roof and fiber cement lap siding.

4.2 General Description, Location, and Designation of Units. The Condominium shall consist of a total of six Units. The location of each Unit is shown on the Plat. The Units are designated as 1 through 6. The square footage of the Units is set forth on the attached Exhibit B and on the Plat.

NOTICE

THE SQUARE FOOTAGE AREAS STATED IN THIS DECLARATION AND THE PLAT ARE BASED ON THE BOUNDARIES OF THE UNITS DESCRIBED IN THIS DECLARATION AND MAY VARY FROM THE AREA OF UNITS CALCULATED FOR OTHER PURPOSES.

4.3 Boundaries of Units. Each Unit shall be bounded by the unfinished interior surfaces of its perimeter and bearing walls, floors and ceilings, and the interior surfaces of windows and window frames, doors and door frames, and shall include both the interior surfaces so described (including the unexposed face of the sheetrock and the underside of the finished floor or top surface of any concrete slab, as applicable) and the air space so encompassed and shall exclude those portions of the walls, floors or ceilings that materially contribute to the structural or shear capacity of the Condominium. In addition, each Unit shall include: (a) the outlet of any utility service lines, including water, sewer, electricity, or cable television, and of ventilating or air conditioning ducts, but shall not include any part of such lines or ducts themselves; and (b) all spaces, nonbearing interior partitions, door frames, and all other fixtures and improvements within the boundaries of the Unit.

5. Interest in Common Elements; General Common Elements. Each Unit shall be entitled to an undivided one-sixth (1/6th) fractional ownership interest in the Common Elements. The General Common Elements consist of all parts of the Condominium other than the Units and the Limited Common Elements and include, without limitation, all land within the boundary of the Plat.

5.1 All floor slabs, the Building foundation, exterior windows, window frames and assemblies, exterior doors and door frames, siding, gutters, roof, columns, beams, girders, supports, and bearing walls.

5.2 Sprinkler room and sprinkler system.

5.3 Pipes, ducts, conduits, wires, and other utility installations, in each case to their respective outlets within Units.

5.4 The air space containing the elements described in Sections 5.1 and 5.3.

5.5 Sidewalks, exterior walkways, drywell, project signage, exterior lighting (other than those light fixtures located on patios and decks), bike storage shed, bike rack at ground level adjacent to sidewalk on N. Minnesota Avenue, trash enclosure and landscaping in the General Common Elements areas as depicted on the Plat.

6. Limited Common Elements. The Limited Common Elements shall consist of (i) patios, decks, and light fixtures and bike racks located on patios and decks, each of which is reserved for the use of the Unit adjoining the patio or deck, as applicable, and which are designated on the Plat as "LCE PATIO" or "LCE DECK", as applicable; (ii) the entry area adjacent to the front door of each Unit on the first floor, the use of which is reserved for the Units 1 and 2, and which is designated on the Plat as "LCE ENTRY 1"; (iii) the stairs from the first floor to the second floor above grade, the use of which is reserved

{00766422;3}

4- DECLARATION OF OVERLOOK FIFTY TWENTY FIVE CONDOMINIUMS

for Units 3 through 6 and which is designated on the Plat as "LCE STAIRS 1"; (iv) the entry area adjacent to the front door of each Unit on the second floor, the use of which is reserved for Units 3 and 4 and which is designated on the Plat as "LCE ENTRY 2"; (v) the stairs from the second floor above grade to the third floor above grade, the use of which is reserved for Units 5 and 6 and which is designated on the Plat as "LCE STAIRS 2"; and (vi) the entry area adjacent to the front door of each Unit on the third floor, the use of which is reserved for Units 5 and 6 and which is designated on the Plat as "LCE ENTRY 3."

7. Allocation of Common Profits and Expenses; Enforcement of Assessments.

7.1 Method of Allocation. The common profits shall be utilized to reduce common expenses and shall be allocated among the Units according to the each Unit's fractional interest in the Common Elements provided in Section 5 above. The common expenses of the Condominium shall be allocated among the Units according to the each Unit's fractional interest in the Common Elements provided in Section 5 above. Notwithstanding the foregoing, the Board may elect to allocate expenses for shared utilities, if any, on a reasonable basis. In the event an Owner of a Unit shall use an unreasonably disproportionate amount of a service included in the common expenses, as determined by the Board in its reasonable discretion, then such Owner shall be required to bear the expense of such service individually (as, for example, by separate metering of utilities or separate billing for disproportionate use of garbage services) and the common expenses incurred by the other Owner shall thereupon be adjusted accordingly. Certain other services provided through the Association, such as basic cable television service, may also be billed on a per-Unit basis, as determined by the Board in its reasonable discretion.

7.2 Commencement of Assessments. Assessments for common expenses shall commence upon closing of the first sale of a Unit, provided that Declarant, until the Turnover Meeting or, if no Turnover Meeting is held, until the Owners assume administrative control of the Association, may elect to defer the commencement of common expense assessments (other than assessments for reserves pursuant to Section 5.2 of the Bylaws) for a period not exceeding six (6) months from such closing. Assessments for reserves pursuant to Section 5.2 of the Bylaws shall commence upon closing of the first sale of a Unit, subject to the right of Declarant to defer the payment of assessments for reserves pursuant to Section 5.2 of the Bylaws. If Declarant elects to defer the commencement of assessments for common expenses pursuant to this Section 7.2, then Declarant shall give not less than 10 days prior written notice to all Owners of the date on which the common expense assessments shall commence. Until the commencement of assessments for all common expenses, Declarant shall be responsible for payment of all common expenses of the Association (other than assessments for reserves pursuant to Section 5.2 of the Bylaws).

7.3 No Exception and No Offset. No Owner may claim exemption from liability for contribution toward the common expenses by waiver by the Owner of the use or enjoyment of any of the Common Elements or by abandonment by the Owner of the Owner's Unit. No Owner may claim an offset against assessment for common expenses for failure or alleged failure of the Board of Directors to perform its obligations.

7.4 Default in Payment of Common Expenses. In the event of default by any Owner in paying to the Association the assessed common expenses (including, but not limited to, reserve assessments or any other special assessments), or any other charge imposed or levied by the Association pursuant to the provisions of this Declaration, the Bylaws or the Act, such Owner shall be obligated to

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pay interest on such delinquent amount from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Association in any proceeding brought to collect such unpaid amount, or any appeal therefrom. No interest or late charges will be assessed on common expenses paid within 10 days after the due date therefore. Otherwise, delinquent payments of common expense assessments shall bear interest from the date thereof at a rate of 12 percent per annum, but in no event higher than the maximum rate permitted by law. The Board of Directors may also establish and impose charges for late payments of assessments, if the charges imposed are based upon a resolution adopted by the Board of Directors that is delivered to each Unit, mailed to the mailing address of each Unit, or mailed to the mailing addresses designated by the Owners in writing. If the assessment is not paid within 10 days of its due date, the Board of Directors may terminate the right to receive utility services paid for out of assessments or the right of access to and use of recreational and service facilities of the Condominium until assessments have been brought current. The Board of Directors shall have the right and duty to recover for the Association such delinquent amounts, together with interest thereon, late charges, if any, and expenses of the proceeding, including attorneys' fees, by an action brought against such Owner or by foreclosure of the lien which the Association shall have upon such Owner's Unit with respect to all such obligations.

7.5 Foreclosure of Liens for Unpaid Common Expenses. In any action brought by the Association to foreclose a lien on a Unit because of unpaid assessments or charges, the Owner shall be required to pay a reasonable rental for the use of the Unit during the pendency of the suit, and the plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect such rental. The Board 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. An action to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing any lien securing the same.

7.6 First Mortgages; Liability of Subsequent Owner.

7.6.1 Any lien of the Association against a Unit for assessments and charges shall be subordinate to tax and assessment liens and any first Mortgage of record, except as otherwise provided by ORS 100.450(7). Where the purchaser or Mortgagee of a Unit obtains title to the Unit as a result of foreclosure of a first Mortgage or by deed in lieu of foreclosure, such purchaser or Mortgagee and his successors and assigns shall not be liable for any of the common expenses chargeable to such Unit which became due prior to the acquisition of title to such Unit by such purchaser or Mortgagee except to the extent provided in the Act; provided, in the case of a deed in lieu of foreclosure, that the Mortgagee complies with the requirements of ORS 100.465(1). Any sale or transfer of a Unit pursuant to a foreclosure shall not relieve the purchaser or transferee of such Unit from liability for, nor such Unit from the lien of, any common expenses thereafter becoming due.

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

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7.7 Acceleration of Assessments. In the event any monthly assessment attributable to a particular Unit remains delinquent for more than 60 days, the Board may, upon 15 days written notice to the Owner of such Unit, accelerate and demand immediate payment of all, or such portion as the Board determines, of the monthly assessments and other charges which the Board reasonably determines will become due during the next succeeding 12 months with respect to such Unit.

7.8 Delinquent Assessment Deposit.

7.8.1 An Owner may be required by the Board, from time to time, to make and maintain a deposit of not less than one month's nor in excess of three months' estimated monthly assessments and charges, which may be collected in the same manner as other assessments and charges. Such deposit shall be held in a separate fund, be credited to the Unit owned by such Owner, and be for the purpose of establishing a reserve for delinquent assessments.

7.8.2 Resort may be had thereto at any time when such owner is 10 days or more delinquent in paying his monthly or other assessments and charges. Such deposits shall not be considered as advance payments of regular assessments. In the event the Board should draw upon such deposit as a result of an Owner's delinquency in payment of any assessments, such Owner shall continue to be responsible for the immediate and full payment of such delinquent assessment (and all penalties and costs related thereto) and thus the full restoration of such deposit, and the Board shall continue to have all of the rights and remedies for enforcing such assessment payment and deposit restoration as provided by this Declaration and by law.

7.8.3 Upon the sale of a Unit, the seller/Owner thereof shall not be entitled to a refund from the Association of any deposit or reserve account made or maintained with respect to such Unit pursuant to this or any other Section of this Declaration; rather, any such deposit or reserve account shall continue to be held by the Association for the credit of such Unit, the Unit purchaser shall succeed to the benefit thereof, and the Unit seller shall be responsible for obtaining from the purchaser appropriate compensation therefore.

8. Voting Rights. Subject to the provisions of Section 18 of this Declaration, one vote shall be allocated to each Unit.

9. Occupation and Use. The Units are intended for residential use, as described in Section 7.2 of the Bylaws.

10. Service of Process. The designated agent to receive service of process in cases described in ORS 100.550(1) is named in the Condominium Information Report which will be filed with the Oregon Real Estate Agency in accordance with ORS 100.250(1)(a).

11. Authority Regarding Easements and Other Property Rights. The Association has the authority, pursuant to ORS 100.405(5) and (6), to execute, acknowledge, deliver, and record on behalf of the Owners leases, easements, rights of way, licenses, and other similar interests affecting the Common Elements and to consent to vacation of roadways within and adjacent to the Condominium. Unless otherwise allowed to be approved by the Board under ORS 100.405(6)(a)(B), the granting of any interest pursuant to this Section 11 shall first be approved by Owners holding at least 75 percent of the Owners present at a meeting of the Association or with consent of 75 percent of all Owners solicited by any

means the Board determines to be reasonable. The Board of Directors has the authority to consent to vacation of roadways within and adjacent to the Condominium without a vote of the Owners. If a meeting is held to conduct the vote, the meeting notice must include a statement that approval of the grant is on the agenda for the meeting.

12. Rights of Access and Use; Encumbrances.

12.1 In General. Each Owner shall have a perpetual right of reasonable access and use to, through, over, and of each other Unit and of the Common Elements as may be required for ingress to and egress from such Owner's Unit; for the support of such Owner's Unit; and for the installation, operation, repair, maintenance, and replacement of utilities and other systems serving such Owner's Unit, including, but not limited to, water, natural gas, air conditioning, cable television, electrical power and wiring, light, or plumbing. The Owner shall use the foregoing rights only as necessary and shall exercise all due care in the exercise of such right and shall be responsible for and indemnify, defend and hold harmless the other Owners from any harm or damage resulting from the exercise of the Owner's rights under this Section 12.1. The specific reference to or reservation of any rights of access and use in this Declaration does not limit or negate the general easement for Common Elements created by the Act.

12.2 Water Intrusion and Mold Inspection. The Board, acting on behalf of the Association, may authorize entry into any Owner's Unit or Units to conduct a periodic inspection of the Owner's Unit for water intrusion into the Unit and/or the appearance of mold or mildew within such Unit. Such inspection shall be made by an agent of the Association appointed by the Board of Directors and shall occur at such time as is reasonably convenient to the Owner (or Owner's tenant) and the inspector. The right of entry and inspection provided in this Section 12.2 shall not in any way obligate the Association or the Board of Directors to make such an inspection, and the decision on whether to inspect Units and the frequency of such inspections, if any, shall be solely within the discretion of the Board of Directors. Nothing contained within this Section 12.2 is intended to modify the maintenance and repair obligations of any party as provided in the Bylaws and this Declaration. The Owner of such Unit shall be required to remediate any mold or mildew within the Unit.

12.3 Right of Entry. In addition to the rights granted to the Association elsewhere in this Declaration, the Bylaws, or by the Act, the Board, acting on behalf of the Association, or a managing agent, manager, or any other person authorized by the Board, shall have the right to enter any Owner's Unit or Units in the case of any emergency or property damage originating in or threatening such Unit or Units or other Units, Common Elements or Condominium property or requiring repairs in such Unit or Units to protect public safety, whether or not the Owner is present at the time. Upon request given to the Owner and any occupant, any person authorized by the Association may enter a Unit or Limited Common Elements for the purpose of performing installations, alterations, maintenance, cleaning, or repairs to any Common Element, preventing damage to the Common Elements or another Unit, or inspecting the Unit or Units to verify that the Owner is complying with the restrictions and requirements described in this Declaration, the Bylaws, and/or the Rules and Regulations, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner, except in the event of an emergency when the right of entry shall be immediate. An emergency entry shall not constitute trespass or create any right of action. For a period of 10 years following recording of this Declaration, Declarant shall have a right to inspect the Units and Common Elements of the Condominium and the Association's records regarding inspections and maintenance of the

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Condominium. Neither the Declarant nor the Association shall be deemed guilty in any manner of trespass for entering a Unit or any portion of the Condominium in accordance with this Section 12.3.

12.4 Right of Access and Use for Declarant. Declarant and Declarant's agents, successors, and assigns shall have a right of access and use to, through, over, and of the Common Elements for the purpose of (i) planning, designing, renovating, developing, constructing, inspecting, maintaining, repairing or selling all or any part of on the Property, to the extent Declarant is required or authorized to conduct such activities (a) pursuant to this Declaration, the Bylaws, or the Plat, (b) under contracts of sale with purchasers of Units, (c) satisfying any repair obligation of Declarant, (d) inspecting the Property for defects or to verify appropriate maintenance is being performed, or (e) under applicable law or regulations, and (ii) carrying out sales activities reasonably necessary for the sale of Units, including, without limitation, the right to use the Units owned by Declarant as model Units, the right to post "for sale" and "for rent" signs, and the right to use a Unit owned by Declarant or a portion of the Common Elements as a sales office, until all Units have been conveyed to persons other than Declarant; provided, however, that Declarant shall restore the portions of the Property which it accesses or uses pursuant to this Section 12.4 to substantially the same condition that existed prior to such access or use (except to the extent Declarant has constructed improvements contemplated by this Section 12.4). The right of entry and inspection provided in this Section 12.4 shall not in any way obligate the Declarant or Declarant's agents, successors and assigns to make such an inspection, and the decision on whether to inspect Units and the frequency of such inspections, if any, shall be solely within the discretion of the Declarant or its successors and assigns.

13. Encroachments.

13.1 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 other movement of any portion of the Property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be a valid easement for the maintenance of the encroaching Units and Common Elements so long as the encroachment shall exist and the rights and obligations of Owners shall not be altered in any way by the encroachment.

13.2 The easement described in this Section 13 does not relieve an Owner of liability in case of willful misconduct of an Owner or relieve any contractor, subcontractor, or materialman of liability for failure to adhere to the Plat.

13.3 The encroachments described in this Section 13 shall not be construed to be encumbrances affecting the marketability of title to any Unit.

14. Notices to Mortgagees. The Association shall provide timely written notice of the following matters to any Mortgagee or any Mortgage Insurer or Guarantor who makes a written request therefore to the Association:

14.1 Any condemnation or casualty loss that affects either a material portion of the Condominium or a Unit in which it holds an interest;

14.2 Any delinquency of 60 days in the payment of common expenses assessed to a Unit in which it holds an interest;

14.3 A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

14.4 Any proposed action that requires the consent of a specified percentage of Mortgagees under this Declaration or the Bylaws.

15. Operating Entity. The Overlook Fifty Twenty Five Condominiums Owners' Association, an Oregon nonprofit corporation, has been organized to administer the operation and management of the Condominium and to undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and the Bylaws. A copy of the Bylaws, which have been adopted by the Declarant as required by ORS 100.410(1) of the Act, is attached hereto as Exhibit C. The Owner of each Unit shall automatically become a member of the Association upon such Owner's acquisition of an ownership interest in any Unit and the membership of an Owner shall terminate automatically upon such Owner's being divested of all of such Owner's ownership interest in the Units, regardless of the means by which such ownership interest is divested. Each Owner shall be entitled to vote in the manner prescribed in the Articles of Incorporation of the Association and the Bylaws. Until the Turnover Meeting, the members of the Board need not be Owners. No person or entity holding any Mortgage, lien, or other encumbrance on any Unit shall be entitled, by virtue of such Mortgage, lien, or other encumbrance, to membership in the Association or to any of the rights or privileges of such membership, except as specifically described in this Declaration. In the administration of the operation and management of the Condominium, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and collect assessments, and to adopt, promulgate, and enforce Rules and Regulations in the manner provided herein and in the Bylaws. Acquisition of an ownership interest in a Unit by an Owner shall constitute appointment of the Association as that Owner's attorney-in-fact in connection with proceedings, negotiations, settlements, and agreements arising from condemnation, destruction, liquidation, or termination of the Condominium, subject to the rights of the Owners described in the Bylaws.

16. Managing Agent. Subject to the rights of the Association to terminate such agreement entered into prior to the Turnover Meeting without penalty or cause upon not less than 30 days written notice given not later than 60 days after the Turnover Meeting, the Board shall have the authority, on behalf of the Association, to enter into a management agreement with respect to the Condominium prior to the Turnover Meeting for a term not to exceed three years. Any such management agreement shall be terminable by the Association upon not more than 90 days' nor less than 30 days' written notice thereof. On behalf of the Association, the Board may, after the Turnover Meeting, employ or contract for a managing agent or manager in accordance with the Bylaws at a compensation to be established by the Board. The Board may delegate to the managing agent or manager such duties and powers as the Board may authorize. In the absence of such appointment, the Board shall act as manager of the Condominium.

17. Taxation of Units. Each Unit, together with the undivided percentage interest in the Common Elements allocated to such Unit, shall be considered a parcel of real property subject to separate assessment and taxation by any taxing authority in a manner comparable to the taxation of

other parcels of real property. The Common Elements shall not be considered a separate parcel for purposes of taxation.

18. Administrative Control. Except as otherwise provided in this Declaration or in the Bylaws, until the earlier to occur of the date that is three years after the date on which the first Unit is conveyed or the date at which 75 percent of the six Units of the Condominium have been conveyed to persons other than the Declarant:

18.1 Declarant may appoint and remove officers and members of the Board;

18.2 Declarant shall have three votes for each Unit owned by it, notwithstanding the provisions of Section 8; and

18.3 Declarant shall have the right to exercise all powers of the Association, the Board, or the Association officers under this Declaration, the Bylaws, and the Act, except that Declarant may not bind the Association to any management agreement, service contract, employment contract, lease of recreational areas or facilities, or contract or lease (other than a ground lease) to which Declarant is a party, which is made prior to the Turnover Meeting unless the Association or the Board is granted therein a right of termination thereof which is exercisable without cause or penalty upon not less than 30 days written notice given to the other party thereto not later than 60 days after the Turnover Meeting.

19. Casualty.

19.1 Responsibility of Association. The Association shall be responsible for repairing, reconstructing, or rebuilding all damage or destruction of the Common Elements by casualty and, to the extent of the Association's insurance coverage, all such damage or destruction to the Units. Each Owner shall be responsible for the repairing, reconstructing, or rebuilding of his Unit to the extent not covered by the Association's insurance and to the extent of any deductible under the Association's insurance within 12 months of the occurrence of such casualty. The Association shall rebuild and restore the damaged or destroyed portions of the Common Elements and, to the extent of the Association's insurance coverage, of the Units, so that the Property is rebuilt and restored to substantially the same condition in which it existed prior to such damage or destruction, unless Owners of at least 60 percent of the Units and 51 percent of all first Mortgagees of Units agree that the Property shall not be rebuilt or restored. The Association shall obtain all permits and approvals required pursuant to City of Portland codes and ordinances prior to commencing rebuilding of the affected parts of Property. The Association shall represent the Owners in any proceeding, negotiation, settlement, or agreement relating to the payment of proceeds under any insurance policies held by the Association. Any such proceeds shall be payable to the Association to the extent of its interest therein. If the Property is to be rebuilt and restored and the proceeds of the insurance policies held by the Association are insufficient to fund the full cost of rebuilding and restoration, the difference between the amount of such proceeds and such cost may be charged to all Owners as a common expense, including the amount of the Association's deductible. If the required number of Owners of Units and first Mortgagees agree that the Property shall not be rebuilt and restored, the Property shall be considered removed from the provisions of the Act in accordance with ORS 100.605 thereof, and any proceeds resulting from such removal shall be distributed in accordance with ORS 100.615.

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19.2 Responsibility of Owner. If, due to the act or neglect of an Owner, or of a member of his or her family or his or her household pet or of a guest, servant, invitee, or other authorized occupant or visitor of such Owner, damage shall be caused to the Common Elements or to a Unit owned by others, or maintenance, repairs, or replacements shall be required which would otherwise be a common expense, then such Owner shall pay for such damage and such maintenance, repairs, and replacements as may be determined by the Association, to the extent not covered by the Association's insurance, including the amount of the Association's deductible.

20. Condemnation.

20.1 Total Condemnation. In the event of condemnation of the whole of the Condominium, the compensation to be paid to Owners of Units shall be negotiated and finalized, including, if required, by representation in any proceeding, by the Association, subject to ratification of such compensation by the Owners of at least 75 percent of the Units at a special meeting called for that purpose, whether or not proceedings are necessary, and compensation, less expenses involved, if any, in obtaining the compensation shall be paid to the Association and then distributed among the Owners of Units in equitable proportions and payable to any Mortgagee to the extent required to obtain a discharge of Mortgage. Notwithstanding the award for the condemnation of the whole Condominium, the rights of each Owner of a Unit shall be separate to negotiate and finalize his or her personal compensation for improvements made to the Unit, cost of moving, and other similar items personal to each Owner.

20.2 Partial Condemnation. In the event of a partial condemnation of the Condominium which includes some Units, each Owner whose Unit is condemned shall deal with the condemning authority with regard to compensation therefore, and the compensation for such Unit shall be paid to such Owner (or the Mortgagee of that Owner's Unit). The Association shall negotiate compensation relating to any Common Elements. The cost, if any, of restoring the balance of the Condominium so that it may be used shall be determined by the Association and the Association shall negotiate with the condemning authority with regard to compensation for this expenditure and shall, unless the Condominium is terminated within 30 days after the receipt of such compensation in accordance with the Act, reconstruct the Condominium, using the funds received for such reconstruction. Any moneys received by the Association for any such reconstruction shall be held in trust by the Association for the purpose of such reconstruction.

21. Amendment.

21.1 Approval by Owners. Amendments to the Declaration shall be proposed by either a majority of the Board of Directors or by the Owners holding 30 percent or more of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment. Except as may otherwise be provided in this Declaration or by the Act and except for correction amendments, which shall be approved as provided in ORS 100.117, this Declaration may be amended if such amendment is approved by the Owners holding at least 75 percent of the voting power of the Association and the consent of Declarant, for a period of 10 years after the recording of this Declaration in the official records of Multnomah County, Oregon. The unanimous consent of all Owners of Units shall be required for amendments of Sections 12.3, 12.4 and 14. Except as otherwise provided in the Act, no amendment may change the allocation of undivided interest in the Common Elements, or

the method for determining liability for common expenses, right to common profits, or voting rights of or with respect to any Unit unless such amendment has been approved by the Owners of the affected Units. Voting on any amendment to this Declaration shall be without regard to Declarant's enhanced voting power under Section 18.1, except for an amendment to approve a plat amendment, or to correct any provision of or exhibit to this Declaration, whether such correction is required due to a surveyor's error, factual error, miscalculation, omission or to comply with the requirements of any applicable statute, ordinance, regulation or guideline of the Federal Housing Administration, the Veterans Administration, the Farmers Home Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon that insures, guarantees or provides financing for condominiums or to comply with the Act. This Declaration shall not be modified, added to, amended, or repealed so as to eliminate, change, or impair any rights, privileges, easements, licenses, or exemptions granted therein or herein to Declarant or its designee, or otherwise so as adversely to affect Declarant or such designee, without Declarant's or such designee's prior written consent in each instance.

21.2 Approval by Mortgagees. Except when a greater percent is required by the Declaration or Bylaws, or a greater or lesser percent is required by the Act, the consent of the Owners of Units holding at least 75 percent of the voting rights and the approval of Mortgagees holding first Mortgages on Units that have at least 51 percent of the voting rights of the Units subject to Mortgages held by Mortgagees shall be required for any amendments of a material nature to the Declaration or Bylaws. Any amendment to the Declaration or Bylaws that changes any of the provisions of such documents governing the following shall constitute a material change:

- 21.2.1 The boundaries of any Unit;
- 21.2.2 Reallocation of common profits and expenses and related matters;
- 21.2.3 Voting rights;
- 21.2.4 Expansion or contraction of the Condominium or the addition or withdrawal of property to or from the Condominium;
- 21.2.5 Imposition of any restriction on the right of an Owner to sell or transfer his or her Unit;
- 21.2.6 Imposition of any restrictions on the leasing of Units;
- 21.2.7 Increases in assessments that raise the previously assessed amount by more than 25 percent, assessment liens or the priority of such liens;
- 21.2.8 Reduction in reserves for maintenance, repair and replacement of the Common Elements;
- 21.2.9 Responsibility for maintenance and repairs;

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21.2.10 Reallocation of interests in the General or Limited Common Elements, or rights to their use;

21.2.11 Convertibility of Units into Common Elements or of Common Elements into Units;

21.2.12 Hazard or fidelity insurance requirements;

21.2.13 A decision by the Association to establish self-management when professional management had been required previously by this Declaration, the Bylaws or a Mortgagee;

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

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

21.2.16 Any provisions that expressly benefit Mortgage holders, insurers or guarantors.

In addition, except as otherwise provided in the Act, no amendment to this Declaration may change the allocation of undivided interest in the Common Elements or the method for determining liability for common expenses, right to common profits, or voting rights of or with respect to any Unit unless such amendment has been approved by the holders of any Mortgages on the affected Units. Any approval of a Mortgagee required under this Section 21.2 may be presumed by the Association if such Mortgagee fails to submit a response to a written proposal for an amendment to this Declaration within 60 days after it receives notice of such proposal by certified or registered mail, return receipt requested.

21.3 Regulatory Amendments. Until the Declarant has turned over control of the Association to the Owners, Declarant shall have the right to amend this Declaration in order to comply with the requirements of any applicable statute, ordinance, regulation or guideline of the Federal Housing Administration, the United States Department of Veterans Affairs, Rural Development or the Farm Service Agency of the United States Department of Agriculture, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon that insures, guarantees or provides financing for a condominium or units in a condominium. If the need to amend this Declaration arises after turnover of the Association to the Owners, the amendment must be approved by the Association in accordance with the requirements of this Declaration and the Act.

21.4 Approval by Governmental Authorities. The Association shall use reasonable efforts to obtain the approval of an amendment to this Declaration by a governmental authority engaged in the guaranty of, or the issuance of insurance with respect to, Mortgages, if required by such authority.

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21.5 Recordation. Amendments to this Declaration shall be effective upon recordation of the Declaration as amended, or of the amendment thereto, certified by the chairman and secretary of the Association as being adopted in accordance with this Declaration and the provisions of the Act and approved by the county assessor and the Oregon Real Estate Commissioner, if required by law, in the deed records of Multnomah County, Oregon.

22. Termination. Termination of the Condominium shall be effected in accordance with ORS 100.600 and any other applicable provision of the Act other than in connection with the substantial destruction or condemnation of the Property, but in no event shall be consummated without the prior written consent of at least 51 percent of those holders of first Mortgages on Units (based upon one vote for each first Mortgage held). Any approval of a Mortgagee required under this Section 22 may be presumed by the Association if such Mortgagee fails to submit a response to a written request within 60 days after it receives notice of such request by certified or registered mail, return receipt requested. The common profits and expenses of the Property following termination of the Condominium shall be allocated in accordance with the Act.

23. Dispute Resolution.

23.1 Required Procedure. Except as provided in Section 23.4 below, to the fullest extent allowed by law, if a dispute arises, all claims, controversies, or disputes, whether they are statutory, contractual, tort claims, and/or counterclaims between or among Declarant, Declarant's successors and assigns, the Association, and/or Owner(s) (collectively, the "Parties" and individually, a "Party") which arise out of or are related to the Condominium, the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association, or the Rules and Regulations, or which relate to the interpretation or breach of the Act, this Declaration or the Bylaws, the Articles of Incorporation of the Association, or the Rules and Regulations (collectively referred to as "Claims") shall be resolved in accordance with the procedures specified herein. Except as otherwise required by the Act, the following matters are excluded from this dispute resolution clause and do not constitute Claims: (i) judicial or non-judicial foreclosure or any other action or proceeding to enforce assessments, fines, interest or a trust deed, mortgage, Association lien, or land sale contract; (ii) a forcible entry and detainer action; or (iii) actions by the Association pursuant to Section 5.6 of the Bylaws prior to summary abatement and removal of a structure or other condition that violates this Declaration, the Bylaws or any Rules and Regulations; (iv) actions for the appointment of a receiver pursuant to Section 5.9 of the Bylaws; (v) provisional remedies such as injunctions or the filing of a lis pendens, or (vi) the filing or enforcement of a mechanic's lien. The filing of a notice of pending action (lis pendens) or the application to any court having jurisdiction thereof for the issuance of any provisional process remedy described in Rules 79 through 85 of the Oregon Rules of Civil Procedure (or corresponding federal statutory remedies), including a restraining order, attachment, or appointment of receiver, shall not constitute a waiver of the right to mediate or arbitrate under this Section, nor shall it constitute a breach of the duty to mediate or arbitrate. The proceeds resulting from the exercise of any such remedy shall be held by the Party obtaining such proceeds for disposition as may be determined by an agreement of the Parties pursuant to a mediation or by the arbitration award.

23.2 Negotiated Resolution. The Parties will seek a fair and prompt negotiated resolution of Claims and shall meet at least once to discuss and seek to resolve such Claims, but if this is not successful, all Claims shall be resolved in small claims court, by mediation or by binding arbitration as set forth in Sections 23.3, 23.4 or 23.5 below, as applicable.

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23.3 Mediation. Prior to mediation of any Claim, the Parties shall have endeavored to resolve disputes through the process set forth in Section 23.2 above. All Claims that are not resolved by such process shall be subject to mediation as a condition precedent to arbitration. The request for mediation may be made concurrently with the filing of a demand for arbitration as set forth in Section 23.5 below, but, in such event, mediation shall proceed in advance of arbitration, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties. All mediation shall be in Multnomah County, Oregon with any dispute resolution program available that is in substantial compliance with the standards and guidelines adopted under ORS 36.175, as it may be amended. The foregoing requirement does not apply to circumstances in which irreparable harm to a Party will occur due to delay or litigation or an administrative proceeding initiated to collect assessments, other than assessments attributable to fines.

23.4 Small Claims. All Claims that have not been resolved by mediation and which are within the jurisdiction of the Small Claims Department of the Circuit Court of the State of Oregon shall be brought and determined there, and all Parties shall be deemed to have waived their right to a jury trial with respect to such Claims.

23.5 Arbitration Agreement. Prior to arbitration of any Claim, the Parties shall have endeavored to resolve disputes through the processes set forth in Section 23.2, 23.3 and 23.4 above, as applicable. All Claims that have not been resolved by such processes shall be resolved by binding arbitration. The Declarant, the Association and all Owners agree that any claim arising from or related to the sale of any Unit or the Common Elements, or to any defect in or to any Unit or any real property on which such Unit is situated, or which is part of the Common Elements, including without limitation, any claim of breach of contract, negligent or intentional misrepresentation or nondisclosure in the inducement, execution or performance of any contract, including this Section 23.5, any alleged statutory violation, and any claim of bodily injury, shall be settled by arbitration.

23.5.1 Any dispute concerning the interpretation or enforceability of this Section 23.5, including without limitation, its revocability or voidability for any cause, the scope of arbitrable issues, and any defense based upon waiver or estoppel, shall be decided by the arbitrator. The decision of the arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction.

23.5.2 This Section 23.5 shall inure to the benefit of, and be enforceable by, Declarant's subcontractors, agents, vendors, suppliers, design professionals, insurers and any other person alleged to be liable for any defect in or to any Unit or the Common Elements; and shall be binding upon all family members and tenants of all Owners. Any party shall be entitled to recover reasonable attorney's fees and costs incurred in enforcing this Section 23.5.

23.5.3 The arbitration shall be conducted by the American Arbitration Association, by Construction Arbitration Services, Inc., or by DeMars & Associates, Ltd., pursuant to their applicable arbitration rules not inconsistent with this Section 23.5. The choice of arbitration service shall be that of the claimant. All administrative fees of the arbitration service and fees of the arbitrator shall be borne equally by the parties to the arbitration, subject to the discretion of the arbitrator to reallocate such fees in the interests of justice.

23.5.4 The parties expressly agree that this Declaration and this Section 23.5 involve and concern interstate commerce and are governed by the provisions of the Federal Arbitration Act (9 U.S.C. § 1, et seq.) to the exclusion of any different or inconsistent state or local law, ordinance or judicial rule; and to the extent that any state or local law, ordinance or judicial rule shall be inconsistent with any provision of the rules of the arbitration service under which the arbitration proceeding shall be conducted, the latter rules shall govern the conduct of the proceeding.

23.5.5 No participation by any party in any judicial proceeding involving a matter which is arbitrable under this Section 23.5 shall be deemed a waiver of the right of such party to enforce this Section 23.5.

23.5.6 If any provision of this Section 23.5 shall be determined by the arbitrator or by any court to be unenforceable or to have been waived, the remaining provisions shall be deemed to be severable therefrom and enforceable according to their terms.

23.5.7 The Declarant, the Association and all Owners hereby acknowledge and agree that no amendment of this Declaration shall modify, alter or delete any portion of Section 23.5 without the written consent of the Declarant attached to and recorded with such amendment, regardless of whether Declarant continues to maintain an ownership interest in any Unit or membership in the Association.

23.5.8 The Declarant, the Association and all Owners hereby acknowledge and agree that, by virtue of the recording of this Declaration, this Section 23.5 shall run with the title to the real property subject to this Declaration, and shall be binding on all persons having any right, title or interest in all or any portion of the real property subject to this Declaration, their respective heirs, legal representatives, successors, successors-in-title, and assigns, and shall be for the benefit of the Declarant and all Owners of the property subject to this Declaration, regardless of whether Declarant continues to maintain an ownership interest in any Unit or membership in the Association.

23.6 No Attorneys' Fees. Except as specifically provided for in this Declaration or the Bylaws and to the extent allowed by law, no party in the arbitration, mediation or other proceeding shall be entitled to recover costs or attorneys' fees in connection therewith.

23.7 Claims By Association. To the fullest extent allowed by law and except for Claims in an amount less than or equal to \$7,500, no Claim shall be initiated by the Association without approval from the Owners holding 75 percent of the voting power of the Association. The foregoing vote requirement shall not be required to institute or respond to the following actions: actions for delinquent assessments, fines or other charges under the Declaration, the Bylaws or the Rules and Regulations; for actions initiated by the Association during Declarant's period of administrative control pursuant to Section 18 of the Declaration; for actions challenging ad valorem taxation or condemnation proceedings; initiated against any contractor or vendor hired by the Association or supplier of goods and services to the Association; to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it; actions to appoint a receiver pursuant to Section 5.9 of the Bylaws; actions to summarily abate, enjoin and remove a structure or condition that violates the Declaration or the Bylaws; or for the defense of the Association of an action or proceeding brought against the Association (except for non-mandatory counterclaims).

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23.8 Confidentiality. Except for Owner discussions of disputes with the Association, the Parties shall keep all discussions of disputes, all settlements and arbitration awards and decisions confidential and shall not disclose any such information, whether directly or indirectly, to any third parties unless compelled to do so by an order of a court of competent jurisdiction. The Parties agree in the event a Party breaches its confidentiality obligation that the other Party or Parties to the dispute shall be entitled to seek and obtain any and all equitable remedies, including injunctive relief and specific performance and each Party hereby waives any claim or defense that the other Party has an adequate remedy at law for any such breach and the Parties agree that the aggrieved Party shall not be required to post any bond or other security in connection with any such equitable relief.

24. Special Declarant Rights. As more particularly provided in this Section, Declarant, for itself and any successor Declarant, has reserved the following special Declarant rights in addition to any special Declarant rights that may be set forth herein or in the Bylaws.

24.1 Completion of Improvements. Declarant and its agents, employees, and contractors shall have the right to complete improvements and otherwise perform work that is: (i) authorized by this Declaration; (ii) indicated on the Plat; (iii) authorized by building permits; (iv) provided for under any unit sales agreement between Declarant and a Unit purchaser; (v) necessary to satisfy any express or implied warranty obligation of Declarant; or (vi) otherwise authorized or required by law.

24.2 Sales Facilities of Declarant. Declarant and its agents, employees, and contractors shall be permitted to maintain during the period of sale of the Condominium upon such portion of the Property as Declarant may choose, such facilities as in the sole opinion of Declarant may be required, convenient, or incidental to the construction or sale of Units and appurtenant interests of the Condominium, including but not limited to, a business office, storage area, signs, model units, sales office, construction office, construction trailers, and parking areas for all prospective purchasers of Declarant, and its affiliates. The provisions of this Section are subject to the provisions of other state law and to local ordinances. The number, size, location, and relocation of such facilities shall be determined from time to time by Declarant in the exercise of its sole discretion; provided, that the maintenance and use of such facilities shall not unreasonably interfere with an Owner's use and enjoyment of the Unit and those portions of the Common Elements reasonably necessary to use and enjoy such Unit.

24.3 Declarant's Easements. Declarant has a non-exclusive easement to, through, and over the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising special Declarant rights, whether arising under the Act or reserved in this Declaration.

24.4 Right of Approval. For a period of 10 years after this Declaration is recorded in the official records of Multnomah County, Oregon, Declarant shall have the right to approve amendments proposed by the Owners to this Declaration, the Bylaws, the Plat, and the Rules and Regulations.

24.5 Right of Review. Upon reasonable advance notice to the Board, Declarant shall have the perpetual right to review all inspection and maintenance records of the Association. In addition, upon request from Declarant, the Board shall provide Declarant at Declarant's cost copies of all inspection reports, proposed Plat for alterations and copies of all warranty claims. As provided in

Section 7.4 of the Bylaws, the Board shall provide Declarant with copies of submissions for alteration requests, advance notice of the Board's inspections of such alterations, and an opportunity for Declarant, its contractors or agents to accompany the Board's professional advisors on any such inspection.

24.6 Right to Attend Board of Directors Meetings; Access to Minutes. Declarant shall have the right from turnover meeting until the 10-year anniversary of the date Declarant ceases to own any Units to (i) attend, or have a representative or agent of Declarant attend, any meeting of the Board of Directors which is open to all owners of Units (an "Open Meeting"), and (ii) receive a copy of the minutes of any Open Meeting. If Declarant does not attend an Open Meeting, or have any representative or agent attend the Open Meeting, the Board shall deliver a copy of the minutes of the Open Meeting to Declarant by fax, email or certified mail, return receipt requested. The minutes shall be delivered to Declarant addressed as follows (or as the Board of Directors is otherwise instructed by Declarant):

Urban Development Group, LLC
1475 SE Micah Street
Happy Valley, OR 97086

24.7 Inspection Rights; Inspection Reports. Declarant, and Declarant's contractors, consultants and advisors, shall have the right (but not the obligation) from the date of this Declaration until the 10-year anniversary of the date Declarant ceases to own any Units to enter each Unit, and the Common Elements at reasonable times to inspect, identify and/or correct any conditions for which Declarant could potentially be responsible under the law. A copy of any inspection report, study or test received or obtained by any Unit Owner or the Association indicating the presence of any condition of the Common Elements, any Unit for which Declarant could potentially be responsible under law shall be delivered by the Association or the Owner ordering such report, test or study, as the case may be, within five days after the foregoing receives such report. The report shall be delivered in the manner provided for deliveries under Section 24.6.

24.8 Termination of Declarant Rights. Except as otherwise provided in this Declaration, the special Declarant rights set forth in this Section 24 shall continue for so long as (i) Declarant is completing improvements which are within or may be added to this Condominium or (ii) Declarant owns any Units; provided, that Declarant may voluntarily terminate any or all of such rights at any time by recording an amendment to this Declaration, which amendment specifies which right is thereby terminated.

25. Limitation on Claims.

25.1 Limitation on Other Claims. ANY CLAIMS (OTHER THAN EXPRESS WARRANTY CLAIMS PURSUANT TO THE UNIT SALES AGREEMENT BETWEEN DECLARANT AND ORIGINAL PURCHASERS OF THE UNITS) WHICH PURCHASER MAY HAVE, INCLUDING, BUT NOT LIMITED TO, CLAIMS FOR NEGLIGENCE, MISREPRESENTATION, BREACH OF CONTRACT, CONSTRUCTION DEFECTS, OR ANY OTHER NONWARRANTY THEORY, MUST BE BROUGHT ON OR BEFORE THE EARLIER (A) EXPIRATION OF THE APPLICABLE STATUTE OF LIMITATIONS, OR (B) WITHIN ONE YEAR FROM THE DATE OF THE TURNOVER MEETING AS DESCRIBED IN THE BYLAWS, WHETHER SUCH CLAIMS ARISE FROM STATUTE, CONTRACT, TORT OR OTHERWISE FOR DAMAGES TO PROPERTY OR PERSONAL INJURY NOW EXISTING OR ARISING

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AFTER THE DATE OF THIS DECLARATION AND RELATING TO OR ARISING IN OR FROM ANY OF THE FOLLOWING: (A) DEFECTS, REPAIRS, REPLACEMENTS OR MODIFICATIONS TO THE UNIT OR COMMON ELEMENTS EXCEPT AS SPECIFICALLY COVERED BY THE WARRANTY CONTAINED IN THE UNIT SALES AGREEMENT BETWEEN DECLARANT AND ORIGINAL PURCHASERS OF UNITS; (B) FAILURE TO COMPLY WITH CODE, NONCOMPLIANCE WITH PLAT AND SPECIFICATIONS, DEFECTIVE CONSTRUCTION, NEGLIGENT CONSTRUCTION AND/OR NON-WORKMANLIKE CONSTRUCTION; (C) TORT AND/OR UNLAWFUL TRADE PRACTICES VIOLATIONS, EMOTIONAL DISTRESS, FRAUDULENT, INTENTIONAL, NEGLIGENT OR INNOCENT MISREPRESENTATION, NEGLIGENCE OR GROSS NEGLIGENCE, NUISANCE, AND/OR TRESPASS; (D) BREACH OF CONTRACT, BREACH OF EXPRESS WARRANTY AND/OR BREACH OF IMPLIED WARRANTIES, INCLUDING THE WARRANTIES OF PROFESSIONAL CONSTRUCTION AND REASONABLE WORKMANLIKE CONSTRUCTION; (E) BREACH OF FIDUCIARY DUTY BY THE SELLER PRIOR TO OR AFTER THE DATE CONTROL OF THE ASSOCIATION IS TURNED OVER TO THE UNIT OWNERS; (F) WATER INTRUSION, WATER INFILTRATION, OR WATER PENETRATION; (G) PRODUCTS OR SUBSTANCES FOUND IN OR USED IN THE UNIT OR COMMON ELEMENTS, INCLUDING, FOR EXAMPLE PURPOSES ONLY, RADON; (H) THE CONDITION OF THE UNIT AND/OR COMMON ELEMENTS; (I) PURCHASER'S LOSS OF USE OF THE UNIT AND/OR COMMON ELEMENTS AND/OR THE LOSS OF VALUE THEREOF; AND (J) CONSEQUENTIAL DAMAGES OR EXPENSES FOR ATTORNEY FEES AND/OR RESULTING FROM THE RELOCATION OF PURCHASER OR FROM THE TERMINATION OF A UNIT SALES AGREEMENT OR DELAYS IN CLOSING, IF ANY, SUCH AS LODGING, COMMISSIONS, INTEREST RATE FLUCTUATIONS, STORAGE, MOVING, MEALS OR TRAVEL EXPENSE. ANY SUCH CLAIMS NOT BROUGHT WITHIN THIS TIME PERIOD WILL BE DEEMED FULLY WAIVED BY THE PURCHASER, REGARDLESS OF WHEN PURCHASER ACTUALLY DISCOVERED THE ALLEGED BASIS FOR THE CLAIM. FOR PURPOSES OF THIS SECTION 25.1, A CLAIM IS "BROUGHT" WHEN (A) FOR MATTERS WITHIN THE SMALL CLAIMS COURT JURISDICTION, A COMPLAINT WAS FILED IN THE APPROPRIATE SMALL CLAIMS COURT AND SERVED PROMPTLY ON SELLER OR (B) FOR MATTERS NOT WITHIN THE SMALL CLAIMS COURT JURISDICTION, DECLARANT HAS ACTUAL RECEIPT OF A FILED COMPLAINT BY PURCHASER OR WRITTEN REQUEST FOR ARBITRATION. THIS SECTION 25.1 SHALL NOT BE DEEMED TO EXPAND A PURCHASER'S RIGHT TO ASSERT ANY NONWARRANTY CLAIMS, WHICH RIGHT DECLARANT DENIES.

25.2 Personal Property. Notwithstanding any other provision of this Section 25.5, Declarant has given no warranty with respect to any appliances, equipment, and other consumer products as defined in the Magnusson-Moss Warranty Act or the Uniform Commercial Code installed in the Unit or Common Elements. Each Owner has agreed that the warranties of appliances, equipment and other consumer products installed in the Unit or Common Elements are those of the manufacturer or supplier and are not warranted by Declarant. To the extent assignable, all such manufacturer or supplier warranties have been assigned to Owner, effective on the closing of such Owner's purchase of his or her Unit(s) from Declarant. Declarant has made no representations or guarantees regarding the existence or validity of any manufacturer or supplier warranties or the performance by any manufacturer or supplier of its warranty obligations. With respect to any manufactured products, Owner expressly has assumed the risk, as against Declarant, that such products may be defective. Owner warranted that Owner had adequate opportunity to investigate the condition of the manufactured products, and Owner relied solely on such independent investigation in purchasing the Unit.

25.3 No Other Warranties. TO THE FULLEST EXTENT ALLOWED BY LAW, DECLARANT MADE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY

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WARRANTIES REGARDING CONSUMER PRODUCTS AS DEFINED IN THE MAGNUSSON-MOSS WARRANTY ACT OR THE UNIFORM COMMERCIAL CODE, WITH RESPECT TO THE BUILDING, THE UNIT, COMMON ELEMENTS, OR ANY OTHER PART OF THE CONDOMINIUM OTHER THAN THOSE EXPRESSLY DESCRIBED IN EACH UNIT SALES AGREEMENT. WITHOUT LIMITATION TO THE FOREGOING, AND EXCEPT FOR THE EXPRESS WARRANTY OF EACH UNIT SALES AGREEMENT, DECLARANT MADE NO REPRESENTATION OR WARRANTY REGARDING (I) COMPLIANCE WITH APPLICABLE BUILDING CODES, (II) ACOUSTICS, CONSISTENCY OF FLOOR SLOPE, OR SOUND TRANSFERENCE WITHIN THE CONDOMINIUM, (III) LIGHT, AIR OR VIEW, OR (IV) THE ABILITY OF THE BUILDING ENVELOPE OR ANY COMPONENTS OF THE CONDOMINIUM TO WITHSTAND WATER INTRUSION. Declarant made no warranty regarding sound transmission between Units or the level or adequacy of sound insulation in a Unit or the Common Elements. The terms of the warranties set forth in each Unit Sales Agreement shall not be extended by any warranty repair or replacement work performed or caused to be performed by Declarant or its representatives. Declarant shall not be responsible for and the warranties set forth in each Unit Sales Agreement shall not cover: (i) damage exacerbated by Owner, the Association, or other parties, or allowed by Owner or the Association to be exacerbated, including, without limitation, damages exacerbated by Owner or the Association, as applicable, failing to allow Declarant access to the Unit or Condominium, as applicable, to perform warranty work; (ii) any modifications to the Unit, Common Elements, or the Condominium made by parties other than Declarant; (iii) any items covered by a manufacturer's or supplier's warranty as set forth in Section 25.2 above; (iv) damage caused by normal wear and tear; or (v) conditions or defects caused by or resulting from the failure of Owner or the Association to perform normal and routine maintenance of or take reasonable corrective measures with respect to the particular component or element of the Unit or Common Elements; (vi) damage caused by unreasonable use; or (vii) any loss or damage resulting from acts of God, natural disasters or other causes beyond the control of Declarant, including but not limited to, fire, explosion, smoke, water, glass breakage, windstorm, hail, lightening, changes which are not foreseeable in the level of the underground water table, falling trees, aircraft, vehicles, floods and earthquakes.

25.4 Defects. For purposes of Declarant's warranties as set forth in each Unit Sales Agreement, "defect(s)" or "defective" means a flaw in the materials or workmanship used in constructing the Unit or Common Elements that: (i) materially affects the structural integrity of the Unit or Common Elements; (ii) has an obvious and material negative impact on the appearance of the Unit or Common Elements; (iii) jeopardizes the life or safety of the occupants of the Unit; or (iv) results in the inability of the Unit or the applicable Common Elements to provide the functions that can reasonably be expected in a condominium dwelling. So long as the Unit is completed substantially in accordance with Declarant's Plat and specifications, minor deviations and variations therefrom such as, without limitation, paint color, window and floor coverings, countertops and cabinets, appliances, plumbing and electrical fixtures, hardware and other decorations, and other finish work shall not be considered "defects." Deficiencies inherent in the quality of a particular component or element of the Unit or Common Elements shall not be considered defects due to workmanship or materials, including, but not limited to, warping, deflection, shrinkage, expansion, cracking or surface splitting of wood, including wood moldings, the appearance of pitch on wood; fading or cracking, chipping or flaking of paint from sunlight, cracks from drying and curing of concrete, plaster, masonry, and caulking and similar materials, expansion or contraction of materials in walls, floors, ceilings, doors and windows shall not be considered defects due to workmanship or materials. In addition, the following shall not be considered covered "defects": (i) visible defects caused or occurring after Owner's occupancy, including but not limited to, surfaces damage to floor tile, painted surfaces, doors, cabinets, concrete, appliances,

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plumbing fixtures, counter tops, and missing items, such as light fixtures, window screens, window glass and mirrors; (ii) defects in items installed in the particular component or element of the Unit or Common Element by any person other than Declarant or Declarant's agents, contractors or subcontractors at Declarant's request; or (iii) conditions caused by or resulting from the failure of any Owner or the Association to perform normal and routine maintenance of or take reasonable corrective measures with respect to the particular element or component of the Unit and Common Elements, as applicable. Any warranty work performed by Declarant and its representatives will be during Declarant's normal weekday hours, and Purchaser agrees to provide access therefore.

25.5 Right of Inspection. By appointment arranged in advance, Declarant, its agents and assigns shall have the continuing right, but not the obligation, after the conveyance of each Unit by Declarant to inspect Owner's Unit and the Common Elements at reasonable times to identify and correct any conditions for which Declarant could potentially be responsible under the Unit Sales Agreements or the law.

25.6 Acoustics, Light, Air and View. Declarant made no representation or warranty regarding the existence of or changes in the level of noise, light, air or view benefiting or burdening the Unit specifically or the Condominium generally. Owner acknowledges that the Declarant will have no liability if the current level of noise, light, air or view affecting the Unit changes due to future developments. Owner acknowledges that as is typical in residential condominiums, the Units are not soundproof and Declarant made no warranty or representation regarding the degree that exterior sounds will infiltrate the Unit. Unit occupants may hear some degree of noise from the nearby streets, from nearby residences and from nearby limited common elements. The Association, and not Declarant, will have the responsibility of enforcing rules against disturbing other members of the Association, however noise occurring outside the Unit may be audible inside the Unit to some degree.

25.7 Mold. Owner acknowledges that mold is a commonly occurring natural substance that can grow in the Unit and the Common Elements where water infiltration and/or humidity exist. Owner also acknowledges that there is controversy regarding whether and to what extent certain types of mold are toxic to humans. Owner understands and agrees that Declarant will not be liable for any property damage or bodily injury suffered by the Unit's occupants and resulting from the presence of mold. Owner is hereby advised to regularly cause the Unit and the Common Elements to be inspected for mold or any other dangerous condition. Owner should take prompt action to remedy underlying water infiltration and humidity conditions that are causing any mold discovered and thereby avoid any possibility of damage or injury from long-term exposure to mold.

25.8 Covenants Running with the Land. The provisions of this Section 25 are intended to touch and concern the Condominium and shall be deemed covenants running with the land. Each and every term of this Section 25 shall, to the fullest extent allowed by law, bind each Owner, the Association and each subsequent owner or transferee of a Unit.

26. Disclosures.

26.1 Unit Square Footage. Unit square footage may be different from the square footage shown on the plans and specifications or advertising brochures, which are based on good faith estimates. Variations in size may be seen even between units having the same floor plan.

26.2 Model Units. Model units and their appurtenances and furnishings are displayed only for illustration purposes and shall not be deemed to be an agreement or commitment by Declarant to deliver the Unit being purchased by Owner in accordance with any such model unit or with the same or similar appurtenances and furnishings shown in such model unit. The furnishings, decorations, gas fireplaces, appliance drip pans, custom colors or textures, and other appurtenances and finish work in or to any model unit are not included in the sale of the Unit(s); provided, however, that such items may be included in the sale of a specified model unit if, and only to the extent, the Unit Sales Agreement for that model unit specifically describes appurtenances and furnishings as part of the sale. Unless expressly stated otherwise in the Unit Sales Agreement, each Owner acknowledged that he or she was not purchasing a model unit, each of which was professionally decorated and furnished.

26.3 Floating Wood Tile Flooring Disclosure. The Unit finishes include floating wood tile flooring. Floating wood tile is a man-made product and it is subject to variations in grain and color. These variations are among the characteristics which make floating wood tiles attractive for use as a floor covering. Exposure to sunlight may cause color gradation to the floating wood floor tiles, with portions of the flooring covered with carpets fading less than those portions that are exposed to sunlight.

26.4 Vegetation. Grass, trees and other vegetation, if any, even if remaining at close of purchase of a particular Unit, escrow and occupancy, may not survive and may need to be replaced at the sole expense of the Association. No warranty of quality or survival was given by Declarant with respect to grass, trees and other vegetation. Further, each Owner is advised that native trees, street trees and other vegetation are often subject to governmental regulation and may not necessarily be removed at will.

26.5 Sound Transmission. As provided in the Unit Sales Agreement, Owner acknowledges and agrees that it is normal to experience some transmission of sound between Condominium Units and acknowledges that these sounds are heard in normal conditions with typical noise levels, that Declarant made no warranty regarding soundproofing, transmission of sound between units or from outside the Condominium and/or levels or adequacy of sound insulation, and that transmission of sound between Units or from outside the Condominium because of its location shall not be considered a construction defect. Owner further acknowledges that Owner has had ample opportunity prior to closing to discern to his or her satisfaction the level of sound and sound transmission at the Unit at various times of day, that sound levels may differ over time depending on a variety of factors, and that Owner accepts current and potential future sound levels.

27. General Provisions.

27.1 No Impairment. The creation of this Condominium shall not be impaired and title to the Unit and Common Elements shall not be rendered unmarketable or otherwise affected by reason of any insignificant failure of this Declaration or the Plat or any amendment thereto to comply with the Act.

27.2 No Waiver of Strict Performance. The failure of the Board in any one or more instances to insist upon the strict performance of this Declaration, or of the Bylaws, or to exercise any right or option contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of such term, covenant, condition, or

restriction, but such term, covenant, condition, or restriction shall remain in full force and effect. The receipt by the Board of any assessment from an Owner, with knowledge of any such breach, shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

27.3 Liability for Utility Failure, Etc. Except to the extent covered by insurance obtained by the Board pursuant to this Declaration and the Bylaws, neither the Association nor the Board nor Declarant shall be liable for: (i) any failure of any utility or other service to be obtained and paid for by the Board; (ii) injury or damage to person or property caused by the elements, or resulting from electricity, noise, smoke, water, rain (or other liquid), dust, or sand which may leak or flow from the outside or from any parts of Unit structures, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other places; or (iii) inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of common expense assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

27.4 Transfer of Declarant's Powers. Declarant, at any time in the exercise of its sole discretion, may sell, assign, transfer, encumber, or otherwise convey to any person, upon such terms and conditions as Declarant may determine, all of Declarant's rights, powers, privileges, and authority arising hereunder by virtue of Declarant's capacity as Declarant (which rights, powers, privileges, and authority are in addition to those arising from Declarant's ownership of one or more Units).

27.5 Severability. Each provision of this Declaration and the Bylaws shall be deemed independent and severable and shall be valid and enforceable to the fullest extent permitted by law. If any term or provision of this Declaration or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, whether under the Condominium Act or otherwise, the remainder of this Declaration and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby.

[Signatures on following page]

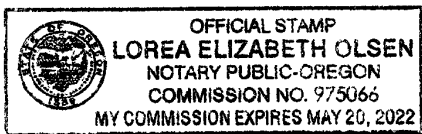
IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 9th
 day of July, 2018.

URBAN DEVELOPMENT GROUP, LLC, an Oregon limited
 liability company

By: A. Vasile
 Adrian Vasile, Sole Member

STATE OF OREGON)
) ss.
 County of Multnomah)

The foregoing instrument was acknowledged before me on this 9th day of
July, 2018, by Adrian Vasile, who is the sole member of URBAN DEVELOPMENT GROUP, LLC, an
 Oregon limited liability company, on behalf of the company.



Lorea Elizabeth Olsen
 Notary Public for Oregon
 My Commission Expires: _____

The foregoing Declaration is approved pursuant to ORS 100.110 this 18th day of
July, 2018.

Richard H. Richardson
 County Assessor

Michelle Hanna
 County Tax Collector

The foregoing Declaration is approved pursuant to ORS 100.110 this 10th day of
July, 2018 and in accordance with ORS 100.110(8), this approval shall automatically expire if
 this Declaration is not recorded within one year from this date.

GENE BENTLEY,
 OREGON REAL ESTATE COMMISSIONER
 By: Michael B. Haniffin
 Michael B. Haniffin

EXHIBIT A

Property Description

LOT 6, BLOCK 28, "M. PATTON'S SECOND ADDITION TO ALBINA", MULTNOMAH COUNTY PLAT RECORDS, EXCEPTING THEREFROM THE EAST 6.00 FEET DEDICATED FOR USE AS A PUBLIC STREET IN DEED FOR RIGHT-OF-WAY PURPOSES RECORDED OCTOBER 7, 2016 AS INSTRUMENT NO. 2016-126904, MULTNOMAH COUNTY DEED RECORDS, SITUATED IN THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 1 NORTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INITIAL POINT, A 5/8" IRON ROD WITH A YELLOW PLASTIC CAP MARKED "W.B. WELLS & ASSOC." FOUND AT THE NORTHWEST CORNER OF SAID LOT 6; THENCE NORTH 89°17'13" EAST, ALONG THE NORTH LINE OF SAID LOT 6, A DISTANCE OF 94.00 FEET TO THE WEST LINE OF THE DEDICATION DESCRIBED IN SAID DOCUMENT NO. 2016-126904; THENCE SOUTH 00°00'21" WEST, ALONG SAID WEST LINE, A DISTANCE OF 50.00 FEET TO THE INTERSECTION OF SAID WEST LINE WITH THE SOUTH LINE OF SAID LOT 6; THENCE SOUTH 89°17'13" WEST, ALONG THE SOUTH LINE OF SAID LOT 6, A DISTANCE OF 94.00 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE NORTH 00°00'21" EAST, ALONG THE WEST LINE OF SAID LOT 6, A DISTANCE OF 50.00 FEET TO THE INITIAL POINT.

EXHIBIT B

Area of Units

<u>Unit No.</u>	<u>Unit Area</u>
1	913
2	913
3	913
4	913
5	913
6	<u>913</u>
Total area:	5,478

EXHIBIT C

Bylaws of the Overlook Fifty Twenty Five Condominiums Owners' Association

BYLAWS
OF
OVERLOOK FIFTY TWENTY FIVE CONDOMINIUMS OWNERS' ASSOCIATION

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1. GENERAL PROVISIONS.

1.1 Identity. Overlook Fifty Twenty Five Condominiums Owners' Association, a nonprofit corporation organized under the laws of the State of Oregon, the Articles of Incorporation of which were filed in the Office of the Oregon Corporation Commissioner (the "Association"), has been organized for the purpose of administering the operation and management of Overlook Fifty Twenty Five Condominiums (the "Condominium"), in accordance with the terms of these Bylaws. The Condominium was established by Urban Development Group, LLC, an Oregon limited liability company (the "Declarant"), in accordance with the provisions of ORS Chapter 100 (the "Act"). The Condominium is located upon property in the City of Portland, Multnomah County, Oregon, as more particularly described in the Declaration of Condominium Ownership for Overlook Fifty Twenty Five Condominiums (the "Declaration"), which is being recorded simultaneously herewith in the records of Multnomah County, Oregon.

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

1.3 Defined Terms. All defined terms used in these Bylaws and not specifically defined herein shall have the meaning given such terms in the Declaration.

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

1.5 Office. The office of the Association shall be 14475 SE Micah St., Happy Valley, Oregon or at any other place within the Portland, Oregon metropolitan area designated by the Association.

2. MEETINGS OF OWNERS.

2.1 Administrative Control. Notwithstanding any other provisions of these Bylaws below, until the Turnover Meeting, the Declarant shall have the powers and authorities reserved to the Declarant in Section 18 of the Declaration.

2.2 Turnover Meeting. The Turnover Meeting, which shall constitute the initial meeting of the Association, shall be called by the Declarant within 90 days of the expiration of the period of Declarant's administrative control described in Section 18 of the Declaration. The Declarant shall give notice (as provided in Section 2.6) of the Turnover Meeting to each Owner at least 10 days but not more than 50 days prior to the meeting. The notice shall state the purpose, time, and place of the meeting. If the meeting is not timely called by the Declarant, the meeting may be called and notice given by any Owner or by any first Mortgagee of a Unit. At the Turnover Meeting, (i) the Declarant shall relinquish control of the administration of the Association to the Owners and the latter shall assume control thereof; (ii) the Owners shall elect a board of directors as set forth in these Bylaws; and (iii) the Declarant shall deliver to the Association the items specified in Section 100.210(5) of the Act. During the three (3) month period following the Turnover Meeting, the Declarant or an informed representative thereof shall be available to meet with the Board on at least three mutually acceptable dates to review the documents delivered pursuant to Section 100.210(5) of the Act. If the Declarant has complied with

the terms of Section 100.210 of the Act, then, unless the Declarant otherwise has sufficient voting rights as an Owner to control the Association, the Declarant shall not be responsible for the failure of the Owners to comply with the provisions of Section 100.210(4) of the Act, and the Declarant shall be relieved of any further responsibility for the administration of the Association except as an Owner for any unsold Unit.

2.3 Annual Meetings. In the 12th month following the month in which the Turnover Meeting is held, the first annual meeting of Owners shall be held. At such meeting, the incumbent directors of the Association (any director of the Association, a "Director") elected at the Turnover Meeting shall resign and three directors (who may have previously served as Directors) shall be elected by the Owners in accordance with these Bylaws. Thereafter, annual meetings shall be held in the same month as the initial annual meeting or in the month following, at such hour and on such date as the Chairperson of the Board of Directors (the "Chairperson") may designate or, if the Chairperson fails to designate such date by the last day of the first month in which the meeting may be held, the meeting shall be held on the second Wednesday of the second month in which the meeting may be held, unless such date shall be a legal holiday, in which event the meeting shall be held on the next succeeding business day. At such meetings, the Owners shall elect Directors to fill vacancies or to succeed retiring Directors as provided in Article 3 of these Bylaws and shall also transact such other business of the Association as may properly come before the meeting.

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

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

2.6 Notice of Meetings. The Chairperson or Secretary shall give written notice of each meeting of the Association, by hand delivery, email or U.S. Mail at least 10 days but not more than 50 days prior to the date set for such meeting, to each Owner of record (and to any first Mortgagee of record requesting such notice), at the address or email address of such Owner as listed on the books of the Association, or at such other address or email address as such Owner shall have designated by notice in writing to the Chairperson or Secretary at least 10 days prior to the giving of such notice by the Chairperson or Secretary. The notice of any meeting shall state the purpose, time, and place of such meeting as well as the items on the meeting agenda, including, without limitation, the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes or any proposal to remove a Director or Officer. The giving of a notice in the manner provided in these Bylaws shall be considered notice properly served. Proof of the giving of such notice, whether by mail, email or personal delivery, shall be given by the affidavit of the person giving the notice. Notice of a meeting may be waived by any Owner before or after a meeting. For a period of 10 years following recording of the Declaration, notices of meetings shall also be given to Declarant in the same manner as given to Owners, and

Declarant or a representative of Declarant shall be entitled to attend such meetings. When a meeting is adjourned for less than 30 days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

2.7 Voting.

2.7.1 The total number of votes of all owners shall be equal to the total number of Units in the Condominium and each Owner shall be entitled, subject to the provisions of Section 18 of the Declaration (which grants the Declarant three (3) votes for each Unit owned by it) prior to the expiration of Declarant's administrative control described in Section 18 of the Declaration and to Section 3.1 of these Bylaws regarding the election of Directors, to a number of votes equal to the number of Units owned by such Owner. The Declarant shall be entitled to vote as the Owner of any Units retained by the Declarant, and the Board shall be entitled to vote on behalf of any Unit which has been acquired by or on behalf of the Association; *provided, however*, that the Board shall not be entitled to vote such Units in any election of Directors.

If an Owner is in default under a first Mortgage on its Unit for 90 consecutive days or more and the Mortgage instrument signed by the Owner provides for such a pledge upon default, the Mortgagee shall automatically be authorized to declare at any time thereafter that the Unit Owner has pledged his or her vote on all issues to the Mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, or in the event the record Owner or Owners have otherwise pledged their vote regarding special matters to a Mortgagee under a duly recorded Mortgage, only the vote of such Mortgagee or vendor will be recognized in regard to the special matters upon which the vote is so pledged, if a copy of the instrument with this pledge has been filed with the Board. Amendments to this Section shall only be effective upon the written consent of all the voting Owners and their respective Mortgagees, if any. Minors and persons declared legally incompetent shall be eligible for membership in the Association, if otherwise qualified, but shall not be permitted to vote except through a legally appointed, qualified, and acting guardian of their estate voting on their behalf, or, in the case of a minor with no legal guardian of the minor's estate, through a parent having custody of the minor..

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

2.9 Fiduciary, Corporate and Joint Owners. An executor, administrator, conservator, guardian or trustee may vote, in person or by proxy, at any meeting of the Owners with respect to any

Unit owned or held by him or her in such capacity, whether or not the same shall have been transferred to his or her name; *provided, however*, that he or she shall satisfy the Secretary that he or she is the executor, administrator, conservator, guardian or trustee holding such Unit in such capacity. Any person voting on behalf of a Unit owned by a corporation or other entity shall provide the Secretary with written evidence, satisfactory to the Secretary, that such person is the duly constituted representative thereof. Unless a valid court order establishes the authority of a co-Owner to vote, whenever any Unit is owned by two (2) or more persons jointly, according to the records of the Association, the vote of such Unit may be exercised by any of the Owners then present, in the absence of protest by a co-Owner. In the event of disagreement among the co-Owners, the vote of such Unit shall be disregarded completely in determining the proportion of votes given with respect to the matter voted upon.

2.10 Quorum. At any meeting of the Association other than the Turnover Meeting, the presence, in person or by proxy, of a number of Owners holding 35 percent or more of the voting power of the Association shall constitute a quorum. For purposes of the Turnover Meeting, the number of Owners in attendance shall be deemed a quorum. The subsequent joinder of an Owner in the action taken at a meeting, evidenced by that Owner signing and concurring in the minutes thereof, shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of an Owner or Owners. If any meeting of the Association cannot be organized because of lack of a quorum, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present; *provided, however*, that a quorum for purposes of a meeting following a meeting adjourned for lack of a quorum shall be the greater of one-half (1/2) of the quorum specified in this Section 2.10 or 20 percent of the voting power of the Association. The quorum requirement is not reduced as set forth in the immediately preceding sentence unless (i) the meeting is adjourned to a date at least 48 hours from the date of the original meeting or (ii) the meeting notice specifies the quorum requirement will be reduced if the meeting cannot be organized because of a lack of a quorum and the meeting notice specifies the reduced quorum requirement.

2.11 Binding Vote. The vote of more than 51 percent of the voting power of the Association, present in person or by proxy, at a meeting at which a quorum is constituted shall be binding upon all Owners for all purposes except where a higher percentage vote is required by law, the Declaration or these Bylaws.

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

- 2.12.1 Calling of the roll and certifying of proxies;
- 2.12.2 Proof of notice of meeting or waiver of notice;
- 2.12.3 Reading of minutes of the immediately preceding meeting;
- 2.12.4 Reports of officers;
- 2.12.5 Reports of committees, if any;
- 2.12.6 Election of Directors;
- 2.12.7 Unfinished business;

2.12.8 New business; and

2.12.9 Adjournment.

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

3. BOARD OF DIRECTORS.

3.1 Number, Term and Qualification. The affairs of the Association shall be governed by the Board of Directors, which shall consist of one (1) to three (3) persons prior to the Turnover Meeting and three (3) persons thereafter. Until the Turnover Meeting shall have been held, the Board of Directors shall consist of the Directors named in the Articles of Incorporation of the Association, subject to the appointment and removal powers of the Declarant described in Section 18 of the Declaration. At the Turnover Meeting, three (3) Directors will be elected by the Owners, with two (2) Directors elected to serve for a term of two (2) years and one (1) Director elected to serve for a term of one (1) year. At the expiration of the initial term of office of each Director elected at the first annual meeting of the Association, that Director's successor shall be elected or appointed as provided in this Section 3.1 to serve for a term of two (2) years. The Directors shall hold office for the term herein fixed and until their successors have been qualified and elected. There shall be no limit on the number of successive terms a Director may serve on the Board of Directors, if elected or appointed as herein provided. After the Turnover Meeting, all Directors shall be Owners and no Director shall continue to serve on the Board of Directors after the Director ceases to be an Owner. For purposes of this Section 3.1, an officer, employee or agent of any corporation, the trustee of any trust who holds title in trust for the benefit of the owner of the beneficial interest in the unit, a partner, employee or agent of any partnership, or a member, manager, employee or agent of any limited liability company that owns a Unit, or an executor, administrator, guardian, conservator, or other individual appointed by a court to serve in a fiduciary capacity for an owner of a Unit shall be considered co-owners of any such Unit.

3.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts in furtherance of and pursuant to such powers and duties, except acts which by or under law, the Declaration or these Bylaws may not be performed by the Board of Directors or delegated to the Board of Directors by the Owners. The Board of Directors shall be governed by ORS 100.417 and applicable provisions of ORS 65.357, 65.361, 65.367, 65.369 and 65.377. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

3.2.1 Operation, inspection, care, upkeep, repair, replacement and maintenance of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement, as required by the Maintenance Plan (defined in Section 3.2.22), the Declaration, these Bylaws and by the Act. The Board shall prepare contemporaneous written documentation of the foregoing activities which shall be made available to Owners and Declarant upon request.

3.2.2 Annually review the condition of the Common Elements and the status of the reserve fund to determine the reserve fund requirements in accordance with ORS 100.175(2).

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

3.2.4 Collection of the common expenses from the Owners.

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

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

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

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

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

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

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

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

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

3.2.14 Making repairs, additions and improvements to, or alterations of, the Condominium and repairs to and restoration of the Condominium in accordance with these Bylaws and Sections 19 and 20 of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or settlement under the threat thereof or to work that is urgently needed for life, safety or structural integrity reasons.

3.2.15 Making additions and improvements to, or alterations of, the Common Elements; *provided, however*, that no such project of a non-structural or non-capital nature may be undertaken by the Board of Directors if the total cost will exceed the amount of Ten Thousand Dollars (\$10,000), unless (i) the Owners have enacted a resolution authorizing the project by a vote of Owners holding at least 75 percent of the voting power of the Association, present in person or by proxy at a meeting of the Owners or (ii) the expenditure is authorized in the annual budget of the Association. This limitation shall not be applicable to repairs or maintenance undertaken pursuant to Section 3.2.1 or to work that is urgently needed for life, safety or structural integrity reasons.

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

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

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

3.2.19 Filing all appropriate income tax returns.

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

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

3.2.22 In conjunction with reviewing the condition of the Common Elements and reserve fund account, establish, periodically update, and implement a "Maintenance Plan" that identifies those components of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement, including information regarding warranties, the useful life of the Common Elements and a maintenance manual defining how and when such maintenance should be performed and setting forth the estimated cost of such maintenance, repair and replacement. The Maintenance Plan shall provide for not less than annual inspections of the Property for evidence of water intrusion or other needed repairs by a knowledgeable independent party or the property manager for the Association, and the Board shall reasonably address any matters revealed by the inspection. For a period of 10 years following recording of the Declaration, Declarant shall be notified by the Board prior to the inspections, shall have a right for Declarant or its employees or contractors to be present during the inspections and have a right to receive a copy of the inspection reports promptly upon request. The operating and reserve budgets of the Association shall take into account the costs of complying with the Maintenance Plan.

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

3.4 Organizational Meeting. Within 30 days following the annual meeting of the Association or following any meeting at which an election of Directors has been held, the Board of Directors shall hold an organizational meeting at such place and time as shall have been fixed by the Directors at the meeting at which the election was held.

3.5 Regular and Special Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Special meetings of the Board of Directors may be called by the Chairperson and must be called by the Secretary at the written request of at least one (1) Director. Notice of any special meeting shall be given to each Director, personally or by mail, telephone, or telecopy at least two days prior to the day named

for such meeting, and shall state the time, place and purpose of such meeting. For a period of 10 years following recording of the Declaration, notices of meetings shall also be given to Declarant in the same manner as given to Directors. All meetings of the Board of Directors shall be open to the Owners except that the Board may close a meeting and meet in executive session to: (i) consult with legal counsel; or (ii) consider the following: (a) personnel matters, including salary negotiations and employee discipline; (b) negotiation of contracts with third parties; and (c) collection of unpaid assessments pursuant to the Act.

Except in the event of an emergency, the Board of Directors shall vote in an open meeting on whether to meet in executive session. If the Board of Directors votes to meet in executive session, the Chairperson shall announce the general nature of the action being considered and when and under what circumstances the deliberations can be disclosed to the Owners. The statement, motion, or decision to meet in executive session must be included in the minutes of the meeting. A contract or action considered in executive session does not become effective unless the Board, following the executive session, reconvenes in an open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes. For other than emergency meetings, notice of each meeting of the Board of Directors shall be posted at a place or places on the Property at least three (3) days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform the Owners of such meeting. Meetings of the Board of Directors may be conducted by any means of communication that allows all members of the Board of Directors to hear each other simultaneously or otherwise to communicate during the meeting, provided that, in the event that the majority of Units are the principal residences of their Owners, only emergency meetings may be conducted by telephonic communication or in the manner allowed by ORS 100.420(2). The meeting and notice requirements in ORS 100.420 may not be circumvented by chance or social meetings or by any other means. For purposes of this Section, "meeting" shall have the definition provided in Section 100.420(5) of the Act.

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

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

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

created. The notice of any such meeting shall state that such removal is to be considered, and any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

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

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

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

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

3.13 Insurance. The Board of Directors shall comply with the insurance requirements contained in Article 9 of these Bylaws. In addition, the Board of Directors, in its discretion, may obtain such other insurance as it deems necessary to protect the interests of the Association, the Board of Directors or the Owners.

3.14 Special Committees. The Board of Directors by resolution may designate one or more special committees, each committee to consist of three (3) or more Owners which, to the extent provided in such resolution, shall have and may exercise the powers set forth in such resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Board of Directors. Such special committee shall keep regular minutes of their proceedings and report the same to the Board of Directors when required. The members of such special committee or committees designated shall be appointed by the Board of Directors or the Chairperson. The Board of Directors or the Chairperson may appoint Owners to fill vacancies on each of any special committees occasioned by death, resignation, removal, or inability to act for any extended period of time.

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

4. OFFICERS.

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

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

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

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

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

4.6 Secretary. The Secretary shall keep the minutes of all proceedings of the Board of Directors and the minutes of all meetings of the Association. The Secretary shall attend to the giving and serving of all notices to the Owners and Directors required by these Bylaws and other notices required by law, shall keep the records of the Association, except for those of the Treasurer, and shall

perform all other duties incident to the office of Secretary of an association and as may be required by the Directors or the Chairperson. In addition, the Secretary shall act as Vice Chairperson, taking the place of the Vice Chairperson and performing the Vice Chairperson's duties whenever the Vice Chairperson is absent or unable to act, unless the Directors have appointed another Vice Chairperson.

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

4.8 Execution of Instruments. All agreements, contracts, deeds, leases and other instruments of the Association, except checks, shall be executed by such person or persons as may be designated by general or special resolution of the Board of Directors. Checks of up to One Thousand Dollars (\$1,000) may be signed by the professional property management company for the Condominium if authorized by general or special resolution of the Board of Directors, if any, and, in the absence of any such general or special resolution applicable to any such instrument, then such instrument shall be signed by the Treasurer, or in his absence or disability, by the Chairperson or another person duly authorized by the Board of Directors. Notwithstanding the foregoing, all checks in excess of One Thousand Dollars (\$1,000) shall require the signatures of the Chairperson or Treasurer and one other officer of the Association.

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

5. BUDGET, EXPENSES AND ASSESSMENTS.

5.1 Budget.

5.1.1 The Board of Directors shall from time to time, at least annually, prepare and adopt a budget for the Association, estimate the common expenses expected to be incurred, less any previous over assessment, and assess the common expenses to the Owners in accordance with Section 7.1 of the Declaration. The budget shall provide for an adequate reserve fund for maintenance, repairs and replacement of those Common Elements, Association Property and any other property for which the Association is responsible which will normally require major maintenance, repair or replacement in more than one (1) and fewer than 30 years and for the painting of exterior painted surfaces of Common Elements, if any, in accordance with Section 5.2 of these Bylaws. The reserve account need not include (a) items that reasonably could be funded from operating assessments (as described in Sections 5.4 and 5.5 below) or (b) a reserve for Limited Common Elements for which maintenance and replacement are the responsibility of one or more unit Owners under the provisions of the Declaration or these Bylaws. **The budget assumes that the Board conducts normal, routine maintenance for the elements reserved for and that the Board is required to perform pursuant to the**

Declaration, these Bylaws and the Act. If the Board fails to perform the required maintenance, the reserve fund may be inadequate at the time of the required replacement for one or more elements.

5.1.2 The Board of Directors shall advise each Owner in writing of the amount of common expenses payable by such Owner, and furnish copies of each budget and amended budget on which such common expenses are based to all Owners, the Declarant (for at least five (5) years after the date of the Turnover Meeting), and, if requested, to their Mortgagees, at least 30 days prior to the annual meeting of the Association. Failure to deliver a copy of any budget or amended budget to each Owner shall not affect the liability of any Owner for any such assessment. If the Board of Directors fails to adopt an annual budget, the last adopted budget shall continue in effect. Nothing herein contained shall be construed as restricting the right of the Board of Directors to, at any time, in their sole discretion, levy any additional assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management of the Condominium, or in the event of emergencies. Any budget for the Association prepared by the Declarant or during the period of Declarant's administrative control of the Association pursuant to Section 18 of the Declaration shall be based on Declarant's good faith estimate, but such projection (i) may increase over time and (ii) may vary substantially from the actual requirements of the Association for such period. After the Turnover Meeting, the Board of Directors shall be responsible, in its sole discretion, for preparation of the budget of the Association and shall not rely upon prior budgets or projections prepared by Declarant. The budget shall take into account the requirements of the Maintenance Plan adopted by the Board pursuant to Section 3.2.22 above.

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

5.2 Reserve Fund for Replacing Common Elements. Declarant has established in the name of the Association a reserve fund for replacement and major maintenance and repairs of Common Elements and any other property for which the Association is responsible for maintenance, repair or replacement, which will normally require major maintenance, repair or replacement in more than one (1) and fewer than 30 years and for the painting of exterior painted surfaces of Common Elements, if any. The common expenses of the Condominium shall be calculated on the basis of expected replacement costs and life expectancy of the items comprising the Common Elements, and any other property for which the Association is responsible for maintenance, repair or replacement, which will normally require major maintenance, repair or replacement in more than one (1) and fewer than 30 years such that the reserve fund is reasonably expected to provide sufficient funds for replacement of such Common Elements and any other property for which the Association is responsible for maintenance, repair or replacement, for significant future maintenance items as required by the Maintenance Plan established pursuant to Section 3.2.22 above, and for the painting of exterior painted surfaces of such Common Elements, if any. Declarant's good faith estimate of the requirements of the Association with respect to major maintenance, repair or replacement of such Common Elements and any other property for which the Association is responsible for maintenance, repair or replacement, and for the painting of exterior painted surfaces of Common Elements. Such projection (i) may increase over time and (ii) may vary substantially from the actual requirements of the Association. The reserve account need not include (a) items that reasonably could be funded from operating assessments (as described in Sections 5.4 and 5.5 below) or (b) a reserve for Limited Common Elements for which maintenance and replacement are the responsibility of one or more unit Owners under the provisions of the Declaration or these Bylaws.

Declarant may elect to defer payment of the assessments for the reserve fund with respect to a Unit until the time of conveyance of the Unit, provided that Declarant may not defer payment of such reserve assessments beyond the date of the Turnover Meeting, or, if no Turnover Meeting is held, the date the Owners assume administrative control of the Association. The Association shall annually review the condition of the Common Elements and the status of the reserve fund to determine the reserve account requirements in accordance with ORS 100.175(2). The Association shall administer the reserve funds and shall adjust at regular intervals, but not less than annually, the amount of the periodic payments into it to reflect changes in current replacement costs over time. In addition to the Board of Directors' authority to adjust reserve assessments, following the Turnover Meeting, the Association may also reduce or increase future assessments for the reserve funds upon an affirmative vote of at least 75 percent of the Owners. After the Turnover Meeting, the Association may, on an annual basis by unanimous vote of the Owners, elect not to fund the reserve account.

Any funds established for any of the purposes mentioned in this Section 5.2 shall be deemed to be a reserve fund notwithstanding that it may not be so designated by the Board of Directors. The amount of the reserve funds shall constitute an asset of the Association and shall not be distributed to any Owner except on termination of the Condominium and the Association. The reserve fund is to be used only for replacement of the Common Elements and any other property for which the Association is responsible for maintenance, repair or replacement which will normally require major maintenance, repair or replacement in more than one (1) and fewer than 30 years and for the painting of exterior painted surfaces of Common Elements, if any, and is to be kept separate from the assessments described in Section 5.4. After the Turnover Meeting, however, the Board of Directors may borrow amounts from the reserve fund to meet high seasonal demands on funds obtained from regular assessments or to meet other unexpected increases in expenses which will later be paid from special or regular assessments, if the Board of Directors has adopted a resolution, which may be an annual continuing resolution, authorizing the borrowing of funds. Not later than the adoption of the budget for the following year, the Board shall adopt by resolution a repayment plan providing for repayment of the borrowed funds within a reasonable period. Repayment of such amounts borrowed from the reserve fund shall include any interest that would otherwise have been earned on such amounts. Assessments under this Section 5.2 shall be allocated as described in Section 7.1 of the Declaration.

5.3 Determination of Common Expenses. Common expenses shall include:

- 5.3.1 Expenses of administration.
- 5.3.2 Cost of insurance or bonds obtained in accordance with these Bylaws.
- 5.3.3 A general operating reserve, sufficient to pay the amount of the deductible on any insurance policy held by the Association under Section 9.1.1.
- 5.3.4 Reserves for replacements, major maintenance or repair or deferred maintenance.
- 5.3.5 The costs of establishing, updating and implementing the Maintenance Plan.
- 5.3.6 Any deficit in common expenses for any prior period, and any accrued interest or late charges thereon.

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

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

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

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

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

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

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

5.4 Assessment of Common Expenses. All Owners shall be obliged to pay on a monthly basis in advance common expenses assessed to them by the Board of Directors on behalf of the Association pursuant to these Bylaws and the Declaration, including amounts applicable to the reserve fund described in Section 5.2 of these Bylaws, provided, however, that such reserve Assessment may be collected on a monthly, quarterly, or biannual basis, and at least annually, and may be assessed prospectively or in arrears. Assessments may not be waived due to limited use or nonuse of Common Elements and no Owner may claim an offset against assessments for failure of the Board of Directors to perform its obligations. The Declarant shall be assessed as the Owner of any unsold Unit, but such

assessment shall be prorated to the date of sale of the Unit. Assessments shall commence and be allocated in accordance with Section 7.1 of the Declaration. The Board of Directors, on behalf of the Association, shall assess the common expenses against the Owners from time to time, and at least annually, and shall take prompt action to collect from an Owner any common expense due which remains unpaid by him or her for more than 10 days from the due date for its payment (except as provided above for the Declarant).

5.5 Special Assessments; Working Capital.

5.5.1 Capital Improvements. In the case of any duly authorized capital improvement to the Common Elements, the Board of Directors may by resolution establish separate assessments for the same, which may be treated as capital contributions by the Owners for capital improvements, and the proceeds of which shall be used only for the special capital improvements described in the resolution.

5.5.2 Other Reserve Trust Funds. The Board of Directors may also build up and maintain a reasonable reserve for contingencies and replacements not covered by Section 5.2 of these Bylaws. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year may be charged against such reserve. If the estimated cash requirement proves inadequate for any reason, including nonpayment of any Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed to the Owners, as provided in Section 7.1 of the Declaration. The Board of Directors shall serve notice of such further assessment on all Owners by a statement in writing giving the amount and reasons therefore, and such further assessment shall become effective with the first monthly assessment of common expenses which is due more than thirty (30) days after the delivery or mailing of such notice of further assessment. Any reserve fund established by Declarant shall be based upon Declarant's good faith estimate, but such projection may vary substantially from the actual requirements of the Association.

5.5.3 Working Capital Fund. Declarant shall establish in the name of the Association a working capital fund for the Association. Amounts paid into this fund shall not be considered advance payments of the monthly assessments for common expenses described in Section 5.3. At the time of closing of the sale of each Unit, the purchaser shall make an initial contribution to the working capital fund equal to two months of Association assessments for such Unit. At or prior to the Turnover Meeting, Declarant shall transfer the working capital reserve fund to the Association for deposit in a segregated fund and administration in accordance with Section 5.5.2. During the period of administrative control described in Section 18 of the Declaration, Declarant shall not use any funds contained in the working capital fund to defray Declarant's expenses, contributions to reserves, or construction costs, or to compensate for any deficits in the operating budget of the Condominium.

5.6 Violation by Owners; Remedies. The violation of any Rule or Regulation or other determination duly adopted by the Board of Directors, or the breach of any covenant or provision contained in the Declaration or these Bylaws, shall give the Association the right: (i) to enter upon that part of the Condominium where such violation or breach exists and summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions so violated, and the Association or its agents shall not thereby be deemed guilty in any manner of trespass; *provided, however,* that the Association must institute legal proceedings before any item of construction may be altered or demolished in remedying such violation,

and (ii) to enjoin, abate or remedy by appropriate legal proceedings the continuance of any breach. Any Owner aggrieved by such a violation shall also have the right, on behalf of the Association, to enjoin, abate, or remedy by appropriate legal proceedings any such violation and to recover its expenses in accordance with Section 11.1. All expenses of the Association in connection with such violation and such action or proceedings (including any action or proceeding brought on behalf of the Association), including engineering, architectural and other professional fees and costs, court costs and attorneys' fees and any other fees and expenses (including fees, fines, late charges and interest imposed pursuant to these Bylaws), and all damages, liquidated or otherwise, together with interest thereon at the rate provided in Section 7.3 of the Declaration until the amount outstanding is paid, shall be charged to and assessed against such defaulting Owner and shall be added to and deemed part of such Owner's respective share of the common expenses. The Association has a lien for all of the same upon the Unit of such defaulting Owner and upon all of his additions and improvements thereto and upon all of his or her personal property located in such Unit or elsewhere in the Condominium. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, on behalf of the Association by the Board of Directors. Any violations by an Owner of the Declaration, these Bylaws or any Rules and Regulations which are deemed by the Board of Directors to be a hazard to public health or safety may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the offending Owner as a specific item, which shall be a lien against the offending Owner's Unit with the same force and effect as if the charge were a part of the normal common expenses attributable to such Unit.

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

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

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

6. RECORDS AND AUDITS.

6.1 General Records. The Board of Directors and the managing agent or manager, if any, shall keep records of the actions of the Board of Directors and the managing agent or manager, minutes of the meetings of the Board of Directors and minutes of the meetings of the Association and contemporaneous written documentation of the Association's inspection, operation, care, upkeep, repair, replacement and maintenance of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement. The Board of Directors shall maintain a list of Owners entitled to vote at meetings of the Association and a list of all first Mortgagees of Units. The Association shall maintain within the State of Oregon a copy, suitable for duplication, of: (i) the Articles, the Declaration, these Bylaws, the Rules and Regulations, the recorded plat(s), the Maintenance Plan, and any amendments thereto; (ii) the most recent annual financial statement of the Association described in Section 6.5; (iii) the current operating budget and reserve study of the Association (if any); and (iv) all documents, information and records delivered to the Association at the Turnover Meeting. Such documents shall be available for inspection within the State of Oregon and, upon written request, available for duplication, by Owners, Mortgagees of Units, insurers and guarantors of such Mortgages, and prospective purchasers of Units during normal business hours, except as otherwise permitted under ORS 100.480. The Board of Directors shall retain the documents required by 100.480(1) for the time period required by such statute. Records kept by or on behalf of the Association may be withheld from examination as permitted by the Act. For a period of ten (10) years following the date of the Turnover Meeting, the Secretary shall mail to Declarant within 30 days after the creation, adoption or recordation of such documents, as applicable, copies of the foregoing documents, including without limitation, written consents of the actions of the Board of Directors and minutes of the meetings of the Association and the Board of Directors.

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

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

6.4 Payment of Vouchers. Vouchers and instruments shall be authorized and signed in accordance with Section 4.8 above.

6.5 Reports and Audits. An annual financial statement of the Association consisting of at least a balance sheet and income and expense statement for the preceding fiscal year, shall be rendered by the Board of Directors to all Owners, and to all first Mortgagees of Units who have requested the same, within 90 days after the end of each fiscal year. At any time any Owner or first Mortgagee may, at his or her own expense, cause an audit or inspection to be made of the books and records of the Association. Upon written request, any holder, insurer or guarantor of a first Mortgage shall be entitled to a copy of the audited financial statement for the immediately preceding fiscal year at

the expense of the Association and shall be made available within 120 days after the end of such fiscal year. In addition, the Board shall not less than annually provide each Owner and the Declarant, its successors and assigns, a written report regarding the Association's compliance with the Maintenance Plan.

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

6.7 Statement of Assessments. Within 10 business days after receipt of a written request from an Owner or Owner's agent for the benefit of a prospective purchaser of such Owner's Unit(s), the Association shall provide a written statement detailing the amount of assessments due from such Owner and unpaid at the time the request was received, including regular and special assessments, fines and other charges, accrued interest, late payment charges, the percentage rate at which interest accrues on assessments not paid when due, and the percentage rate used to calculate the late payment charges or the amount of a fixed charge for late payment. The Association is not required to comply with the foregoing request if the Association has commenced litigation by filing a complaint against the Owner, and the litigation is pending when the statement would otherwise be due.

7. OCCUPATION AND USE.

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

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

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

7.1.3 Approval of Lease. Each Owner desiring to rent or grant occupancy of his or her Unit shall submit for approval by the Board the lease, rental or other occupancy agreement

with the prospective renter, lessee or occupant and the identity and contact information for such tenant or occupant. The Board shall approve such lease, rental or other occupancy agreement as long as the Board determines that the lease agreement satisfies the requirements of the Declaration and these Bylaws relating thereto.

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

7.1.5 Declarant's Activities. The restrictions contained in this Section 7.1 shall not apply to the Leasing or Renting of Units owned by the Declarant.

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

7.3 Compliance. Each Owner shall comply and shall require all residents, lessees, tenants, occupants, servants, invitees, employees and visitors to his Unit to comply with the Act, the Declaration, these Bylaws and the Rules and Regulations adopted pursuant thereto. An Owner shall continue to be responsible for compliance with all of the foregoing, notwithstanding that the Unit is Leased or Rented in violation of these Bylaws.

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

Prior to commencement of construction, the Owner shall provide the Board of Directors with copies of all relevant building permits and evidence of due compliance with any other requirements of government bodies having jurisdiction regarding such work. An Owner may not remove any partition walls separating contiguous Units. Before proceeding with any approved alterations or improvements, the Owner shall, if the Board of Directors so requires, provide to the Association, at the expense of the Owner, a performance bond and a labor and materials bond, issued by a surety satisfactory to the Board of Directors, each in the amount of at least 125% of the estimated cost of such alterations or improvements or such other security as shall be satisfactory to the Association.

An Owner may have removed by the Association, at such Owner's expense, a part of the partition wall separating contiguous Units owned by an Owner provided that (i) such removal shall not interfere with any structural support elements or load-bearing partitions or columns or with any pipes, wires, cables, conduits or ducts or other mechanical systems and (ii) such Owner agrees in writing to have the Association restore such wall at such Owner's expense in the event that the ownership of the Units is subsequently divided.

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

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

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

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

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

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

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

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

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

7.10 Limitation on Storage Areas. Other than items placed by the Declarant or the Association, no furniture, packages or objects of any kind shall be placed in the any other part of the Common Elements, except as allowed in Section 7. No storage of any kind shall be permitted on the decks and patios located adjacent to the Units and entry areas leading to the front door of Units, except for the following specific items: well-maintained patio furniture, charcoal barbeques and plants, so long as these do not block access to the front door of a Unit. In addition, no items of any kind may be hung from the deck, patio, fence or entry area walls or railings without the prior approval in writing of the Board of Directors. Bikes may be stored in the bike storage shed, but no other items. Owners and occupants shall promptly clean up debris and water on their deck, patio and entry area. The provisions hereof shall not apply to the Declarant until such time as all Units have been initially sold and conveyed by the Declarant; however, the Declarant shall not use the Common Elements in such a manner as will unreasonably interfere with the use of the Units for dwelling purposes.

7.11 Walkways, Stairs and Sidewalks. Walkways, stairs and sidewalks shall be used exclusively for normal transit and no obstructions and/or decorations or other items shall be placed thereon or therein except by express written consent of the Board.

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

7.13 Pets. Domestic household pets, such as cats and dogs, may be kept by Owners, *provided that* the keeping of pets shall be subject to such reasonable rules and regulations as the Board may adopt from time to time. The Board may require the removal of any animal which the Board in the exercise of reasonable discretion determines to be disturbing other Owners unreasonably, and may exercise this authority for specific animals even though other animals are permitted to remain. Pets will not be allowed on any Common Element unless they are on a leash or being carried and are being walked to or from the Unit to a street or sidewalk. At all times the Common Elements shall be free from pet debris, including food and fecal matter. Except for the foregoing pets, no livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Condominium, nor may any animal be bred or used therein for any commercial purposes or in any unreasonable numbers. Any outside facility for pets must be kept clean on a daily basis and no waste products or food may be left in either the facility or on the Property. Any damage caused by pets shall be the responsibility of the respective Owners thereof.

7.14 Rubbish or Trash. No Unit or any part of the Common Elements (including the balconies included in the Limited Common Elements) shall be used as a dump for trash or rubbish of any kind. All garbage and other debris and waste shall be kept in appropriate sanitary containers for proper disposal and out of public view. In the event an Owner or occupant fails to remove any trash, rubbish, garbage, or other debris or waste materials from such Owner's or occupant's Unit (or from the street or other Common Elements if deposited thereon by such Owner or occupant) within one (1) day after notice from the Association, the Association may have such waste removed and charge the expense of such removal to the Owner of the Unit as provided in Section 5.3.11. Customary construction activities that relate to development and construction of the Condominium or buildings and improvements which are scheduled to be part of the Condominium shall not violate this Section.

7.15 Restriction on Vegetation. Only vegetation approved by the Board of Directors may be planted on any portion of the General Common Elements. Owners may place plants in well-

maintained pots and planter boxes in the Limited Common Element patio or deck and entry area reserved for their use in Section 6 of the Declaration without Board approval, provided the vegetation in such areas is maintained in good condition and the pots and planter boxes do not overload the patio or deck.

7.16 Maintenance of Unit. Each Owner shall maintain such Owner's Unit in good condition and shall keep the adjacent patio or deck in a neat, clean and attractive condition and in such fashion as not to create a fire hazard and in conformance with the standards set forth in any warranty provided to such Owner by Declarant.

7.17 Utilities and Antennae. No sewer, drainage, or utility lines, wires, satellite dishes, or other devices for the communication or transmission of electric current, power, or signals (including telephone, television, microwave, or radio signals) shall be constructed, placed, or maintained anywhere in or upon the Condominium other than within the Building or other structures unless contained in conduits or placed or maintained underground or concealed in or under Buildings or other structures, without the prior written approval of the Board. No device for the transmission or reception of telephone, television, microwave, or radio signals will be allowed within the Condominium unless the antenna is located and screened so as not to be visible from neighboring buildings and streets. Nothing contained in this Section 7.17 shall be construed to prohibit the erection or use of temporary power or telephone facilities during construction or repair of Improvements nor shall it apply to construction activities of Declarant. The restrictions contained in this Section 7.17 shall be effective only to the extent permissible under applicable laws and regulations.

7.18 Window Air Conditioning Units. No window air conditioners may be used on any part of the Condominium.

7.19 Exterior Lighting. No exterior lighting of any kind may be installed on any portion of the Condominium without the prior review and approval of the Board.

7.20 Window Coverings. All window coverings that are visible from the exterior of a Unit shall be of or lined with a solid neutral color, such as black, white, cream, beige, or natural wood tones. Only draperies, window blinds and window shades are allowed to be installed in the windows of Units, except as otherwise approved by the Board of Directors.

7.21 Activities of the Declarant. Nothing in this Section 7 or in the other provisions of these Bylaws shall be construed to limit, modify, or otherwise restrict the rights of the Declarant pursuant to the Declaration with respect to the development, construction, and sale of the Condominium.

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

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

8. MAINTENANCE AND REPAIR.

8.1 Maintenance by Association. The necessary work to maintain, repair, or replace the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement shall be the responsibility of the Association and shall be carried out by the Board as provided in these Bylaws and shall be charged to the Owners as a common expense in accordance with Section 7.1 of the Declaration, provided, that if such maintenance, repairs or replacement have been necessitated by acts or omissions of an Owner by reason of which the Owner is responsible under applicable law or under these Bylaws for all or a portion of the costs thereof, such costs shall be charged solely to the Owner so responsible. However, should actual collection of such costs from the responsible Owner within a reasonable period of time prove impossible after reasonable collection efforts, the uncollected portion may be charged as a common expense in accordance with Section 7.1 of the Declaration, as such Declaration may be amended, subject to reimbursement of any amounts later collected from the responsible Owner. Except as set forth in Section 8.2, the Board shall be solely responsible for determining the appropriate maintenance for the Common Elements and all other items for which the Board is responsible for maintaining in the Declaration or these Bylaws. Without limitation of the foregoing, the Association shall be responsible for the inspection, painting, staining, repair and replacement of the exterior surfaces of all Units (including the repair and replacement of roofs, gutters, siding, decks, patios and exterior doors); the repair and resurfacing of all walkways, sidewalks and stairs; the maintenance, repair and replacement of the drywell, and the cutting, pruning, and trimming of all landscaping in the General Common Elements. The Association is responsible for maintaining warranties in effect, if any, for all portions of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement, to the fullest extent possible.

If the Mortgagee of any Unit determines that the Board is not providing an adequate maintenance, repair, and replacement program for the Common Elements, such Mortgagee, at its option, may deliver a notice to the registered agent of the Association, as required pursuant to Section 100.550 of the Act, setting forth the particular defect(s) which it believes exists in the maintenance, repair, and replacement program. If the specified defect(s) are not corrected within 60 days after receipt of such notice, then the Mortgagee, upon written notice to the registered agent that it is exercising its proxy rights thereunder, shall have the right to attend succeeding annual or special meetings of the Association and to cast a vote for each Unit on which it holds a Mortgage on all business coming before such meeting, which proxy rights shall continue until the defect(s) described in the notice are corrected.

8.2 Maintenance by Owners. All maintenance of and repairs to any Unit shall be made by the Owner of such Unit, who shall keep the same in good order, condition, and repair. Without limitation of the foregoing, each Owner shall be responsible for repairing and replacing window glass of that Owner's Unit, regardless of whether such items are Common Elements. In addition, each Owner of a Unit shall be responsible for the maintenance, repair, or replacement of interior doors and door assemblies and any plumbing fixtures, range hoods, telephones, fans, lighting fixtures and lamps, refrigerators, dishwashers, ranges, or other appliances and accessories that may be in his or her Unit and all components of the heating and ventilation system serving the Unit, whether located inside or outside the Unit. Each Owner shall maintain in good condition the items located on such Owner's

Limited Common Element patio or deck, regardless of the designation of those areas as Common Elements. If an Owner fails to properly perform his or her maintenance and repair responsibility, the Association may enter on to the Owner's Unit and perform such maintenance and/or repair and assess all costs incurred by the Association against the Unit and the Owner as a special assessment pursuant to Section 5.3.11.

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

9. INSURANCE.

9.1 Types. Each Owner shall be responsible for obtaining, at his or her own expense, insurance covering his or her property not insured under Section 9.1.1 below and against his liability not covered under Section 9.1.2 below, unless the Association agrees otherwise. For the benefit of the Association and the Owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance:

9.1.1 Insurance covering loss or damage under an all-risk replacement cost policy, which coverage must include fire, extended coverage, vandalism and malicious mischief (but need not include flooding and earthquake coverage), and such other coverages, including "all-risk" coverage, which the Association may deem desirable, for not less than the full insurable replacement value, including the cost of replacement in compliance with the then applicable building codes, of the Units and Common Elements, including any fixtures (including built-in kitchen appliances), building service equipment, and Association Property and supplies belonging to the Association. Such policy or policies shall name the Association and the Owners as insureds, as their interests may appear, and shall provide for a separate loss payable endorsement in favor of the Mortgagee of each Unit, if any. No such policy shall contain a deductible exceeding five (5%) percent of the face amount of the policy.

9.1.2 A policy or policies insuring the Declarant, the Association, the Board of Directors, the Owners and the managing agent, against liability to the public or to the Owners, and their employees, invitees, or tenants, incident to the supervision, control, operation, maintenance, inspection

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

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

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

9.1.5 Fidelity insurance for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association. In the event the Association has retained a manager, such manager shall maintain fidelity insurance for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The cost of such insurance shall be at the expense of the Association. The total amount of fidelity insurance coverage required shall be based upon the best business judgment of the Board of Directors. In no event, however, may the aggregate amount of such insurance be less than the sum equal to three (3) months' aggregate assessments on all Units plus reserve funds. Such fidelity insurance shall name the Association as obligee and shall contain waivers by the issuers of the insurance of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The insurance shall provide that it may not be canceled or substantially modified (including cancellation for nonpayment of premium,) without at least ten (10) days' prior written notice to the Association and each servicer on behalf of the Federal National Mortgage Association ("FannieMae").

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

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

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

9.2.3 Each Owner shall be required to notify the Board of Directors of all improvements made by the Owner to his Unit, the value of which is in excess of Five Hundred Dollars (\$500.00). Nothing in this Section shall permit an Owner to make improvements other than in accordance with the Declaration and the other provisions of these Bylaws.

9.2.4 Any Owner who obtains individual insurance policies covering any portion of the Condominium other than his or her personal property and fixtures (other than built-in kitchen appliances) and the Association deductible shall file a copy of such individual policy or policies with the Association within 30 days after the purchase of such insurance.

9.2.5 Notwithstanding the provisions of these Bylaws, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement, or any successor to such trustee. Such insurance trustee shall have exclusive authority to negotiate losses under any property or liability insurance policy. Each Owner appoints the Association, or any insurance trustee or substitute trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance including: the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purchase. The Association or insurance trustee shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for Owners and their first mortgage holders, as their interests may appear.

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

9.2.7 For purposes of this Section 9, insurance policies are unacceptable where (i) under the terms of the insurance carrier's charter, bylaws or policy, contributions or assessments may be made against FannieMae, the designee of FannieMae, or the Association Owners, or (ii) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders or members, or (iii) such policies include any limiting clauses (other than insurance conditions) that could prevent collecting insurance proceeds.

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

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

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

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

9.3.3 A provision that any master policy on the Condominium cannot be canceled, invalidated, or suspended on account of the conduct of any officer or employee of the Board of Directors or the manager without prior demand in writing that the Board of Directors or manager cure the defect;

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

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

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

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

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

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

9.3.10 An "inflation guard" endorsement;

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

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

9.4 Additional Requirements.

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

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

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

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

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

9.5.1 Insurance on any additions or improvements made by the Owner to his or her Unit or Units shall be purchased and maintained for the full insurable value thereof, to the extent not covered by the Association's insurance policy, unless the Owner presents in writing to the Board of Directors evidence that the additions or improvements made by the Owner to his or her Unit are insurable under the insurance issued pursuant to Section 9.1.1 and the Board of Directors, after consultation with the Association's insurer, concurs that such additions or improvements are insured under such insurance and, if necessary, the Association's insurer undertakes the requisite action to cause the additions or improvements to be added to the policy issued pursuant to Section 9.1.1. Insurance also shall be purchased by the Owner for furnishings, fixtures (other than built-in kitchen appliances) not insured by the Association, equipment, decorating and personal property and chattels of the Owner contained within his or her Unit or Units or within the walls or ceiling of such Unit and

serving only that Unit, and his or her personal property and chattels stored elsewhere on the Property, including his or her automobile or automobiles, and for loss of use and occupancy of his or her Unit or Units in the event of damage. Any such policy or policies of insurance shall contain waivers of subrogation against the Association, its manager, agents, employees and servants, and against the other Owners and any members of their households, except for vehicle impact, arson and fraud.

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

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

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

10. AMENDMENTS TO BYLAWS.

10.1 How Proposed. Amendments to the Bylaws shall be proposed by either a majority of the Board of Directors or by the Owners holding at least 35 percent of the voting power of the Association. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon.

10.2 Adoption. A resolution adopting a proposed amendment may be approved by the Owners at a meeting called for this purpose. Owners not present at the meeting considering such amendment may express their approval in writing or by proxy delivered to the Board of Directors at or prior to such a meeting. Except for correction amendments, which shall be approved as provided in ORS 100.117, any resolution for amending these Bylaws shall be approved by Owners holding at least a majority of the Units, except that any resolution containing an amendment relating to age restrictions, pet restrictions, limitations on the number of persons who may occupy a Unit and limitations on leasing or rental of Units shall be approved by Owners holding at least 75 percent of the voting power of the Association, and except that any provision of these Bylaws that is required to be in the Declaration may be amended only in accordance with the requirements governing amendment of the Declaration. In addition to the foregoing approval requirements, amendment of the following provisions of these Bylaws shall require the prior written approval of at least 51 percent of those holders of first Mortgages on Units (based upon one(1) vote for each first Mortgage held): (i) Section 8, which addresses maintenance and repair; (ii) Section 9, which addresses insurance requirements; and (iii) any other

provision of these Bylaws which expressly benefits Mortgagees of Units or insurers or guarantors of such Mortgages. Any approval of a Mortgagee required under this Section 10.2 may be presumed by the Association if the Mortgagee fails to submit a response to a written proposal for an amendment to these Bylaws within 60 days after it receives notice of such proposal by certified or registered mail, return receipt requested. For so long as the Declarant remains the owner of one or more Units, the Bylaws and Rules and Regulations may not be modified, added to, amended or repealed so as to eliminate, change, or impair any rights, privileges, easements, licenses or exemptions granted therein or herein to the Declarant or its designee, or otherwise adversely affect the Declarant or such designee, without the Declarant's or such designee's prior written consent in each instance.

10.3 Regulatory Amendments. Until the Declarant has turned over control of the Association to the Owners, Declarant shall have the right to amend these Bylaws in order to comply with the requirements of any applicable statute, ordinance, regulation or guideline of the Federal Housing Administration, the United States Department of Veterans Affairs, Rural Development or the Farm Service Agency of the United States Department of Agriculture, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon that insures, guarantees or provides financing for a condominium or units in a condominium. If the need to amend these Bylaws arises after turnover of the Association to the Owners, the amendment must be approved by the Association in accordance with the requirements of these Bylaws and the Act.

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

10.5 Rights of the Declarant. Nothing in this Article 10 shall limit the right of the Declarant to approve amendments to the Rules and Regulations pursuant to Section 18 of the Declaration.

11. LITIGATION.

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

11.2 Complaints Against. Complaints brought against the Association, the Board of Directors or the officers, employees, or agents thereof, in their respective capacities as such, or against the Property as a whole, shall be directed to the Board of Directors, which shall promptly give written notice thereof to the Owners and any Mortgagees who have requested notice thereof and shall be defended by the Board of Directors, and the Owners and Mortgagees shall have no right to participate other than through the Board of Directors in such defense. One or more Owners shall have the right to enjoin, abate, or remedy by appropriate legal proceedings any failure by the Association or the Board of

Directors to comply with the provisions of the Declaration, these Bylaws, or any Rule or Regulation. Complaints against one or more, but less than all of the Owners, shall be directed to such Owners, who shall promptly give written notice thereof to the Board of Directors and to the Mortgagees having an interest in such Units, and shall be defended by such Owners.

11.3 Suits Against Declarant. Declarant shall have the right to be present at any meeting of the Association during which the Board of Directors or the Owners vote on whether to initiate legal action against Declarant. The Board of Directors shall provide Declarant with at least 10 days' prior written notice of the time and place of such meeting.

11.4 Initial Dispute Resolution Procedures. Notwithstanding anything contained herein to the contrary, in the event of a claim by the Association or any Owner against Declarant or any contractor, subcontractor, or supplier for a construction defect, the parties shall first comply with the provisions contained in ORS 701.550 to 701.595. In the event the claim is not for a construction defect, but relates to a claimed defect in the condition of the project, the parties shall follow the same procedures as set forth in such provisions, except that the notice of defect shall include a statement of the basis upon which the recipient is claimed to be liable for the defect. Compliance with the procedures contained in this Section 11.4 shall be a condition precedent to mediation, arbitration or litigation of any such claims.

12. MISCELLANEOUS.

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

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

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

12.3 Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the remainder of these Bylaws. As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein

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

12.4 Action Without a Meeting. Any action that the Act, the Declaration or the Bylaws require or permit the Board of Directors to take at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the Board of Directors, shall be filed in the records of minutes of the Association. Votes of the Owners may be conducted by written ballot, in compliance with the procedures set forth in ORS 100.425. For votes of the Owners by written ballot, the Board of Directors shall provide Owners with at least 10 days' notice before written ballots are mailed or otherwise delivered. The notice shall state the general subject matter of the vote by written ballot, the right of Owners to request secrecy procedures specified in ORS 100.425, the date after which ballots may be distributed, the period during which the Association will accept written ballots, the date and time by which any petition must be received by the Board requesting secrecy procedures, and the address where such a petition may be delivered. If, at least three days before written ballots are scheduled to be mailed or otherwise distributed, at least 10 percent of the Owners petition the Board of Directors requesting secrecy procedures, a written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the Owner, and instructions for mailing and returning the ballot. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed. Notwithstanding the foregoing, a secrecy envelope and signed return identification envelope shall not be required for the written ballot of an Owner whose consent or approval is required by the Declaration, these Bylaws or the Act. Notwithstanding the foregoing, action by written ballot may not substitute for the Turnover Meeting, the annual meeting of the Association, a meeting of the Owners if the agenda includes a proposal to remove a Director from the Board of Directors, or a special meeting called at the request of the Owners pursuant to Section 2.5 of these Bylaws.

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

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

12.7 Indexing. Whenever any dollar amount is specified in these Bylaws, such amount shall be automatically adjusted each January 1 based upon any changes in the Consumer Price Index - All Items - for all urban consumers published by the U.S. Bureau of Labor Statistics (or any generally accepted substitute for such index, if such index shall be discontinued) using the index for January, 2018 as the base year.

12.8 Declarant as Owner. Except as expressly provided in these Bylaws and the Declaration, Declarant shall, with respect to any Units owned by Declarant, enjoy any and all rights, and assume any and all obligations, enjoyed or assumed by an Owner.

Dated this 9th day of July, 2018, being hereby adopted by the undersigned Declarant on behalf of the Association.

URBAN DEVELOPMENT GROUP, LLC, an Oregon limited liability company

By: A. Vasile
Adrian Vasile, Sole Member