

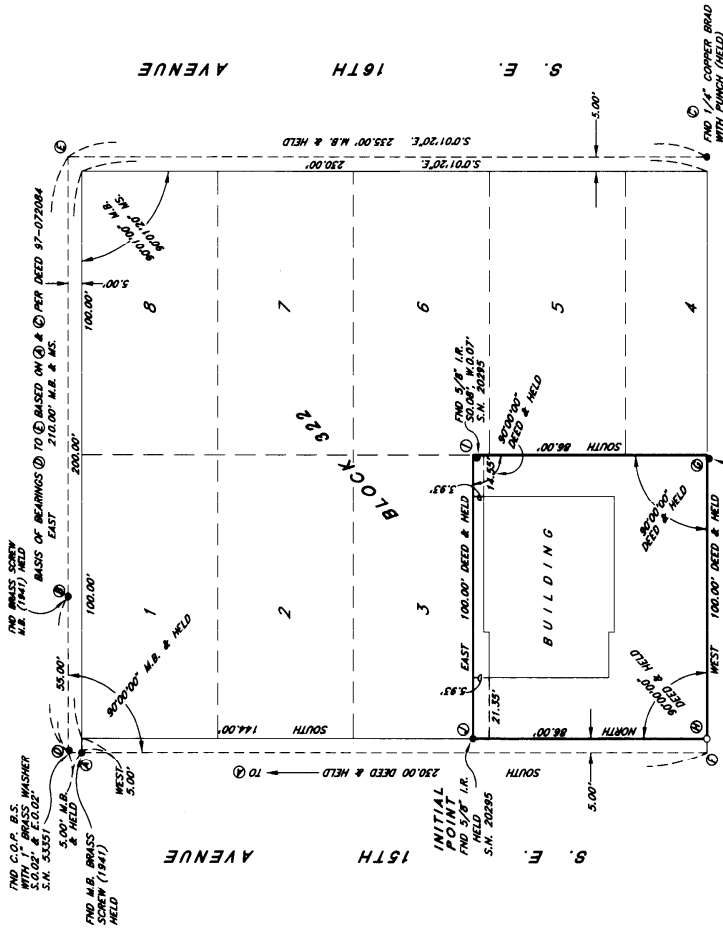
SHERLOCK HOUSE CONDOMINIUMS

A REPLAT OF A PORTION OF BLOCK 322, "EAST PORTLAND"
 SITUATED IN THE N.E. 1/4 SECTION 2, T.1.S. & R.1.E., W.M.
 CITY OF PORTLAND - MULTNOMAH COUNTY, OREGON

DATE: FEBRUARY 5, 1988
 SCALE: 1" = 30'
 JOB NO. 8718

BY: CLARE JONES & ASSOCIATES, INC.
 1540 S.E. 17TH AVENUE
 PORTLAND, OREGON
 PHONE: (503) 238-8844

S. E. STARK STREET



MARRAZLIE

- 1) THE PURPOSE OF THIS SURVEY IS TO PROVIDE A CONDOMINIUM PLAT OF THE DEED RECORDED IN FEE NO. 97072084 DATED MAY 14, 1987.
- 2) I STARTED THE SURVEY BY RECOVERING MONUMENTS ①, ② AND ③ FROM ④. I HELD NORTH 5.00 FEET TO ⑤ AND FROM ⑤ I HELD NORTHERLY 100.00 FEET TO ⑥. I HELD WEST 100.00 FEET TO ⑦ AND HELD AS EAST PER DEED 97072084.
- 3) FROM ① I HELD MARSHALL BROTHERS ANGLE OF 90° AND DEED DISTANCE FROM ② TO POINT ① OF 230.00 FEET.
- 4) I HELD LINE ①-② AS THE SOUTH LINE WHICH AGREES WITH DEED ANGLE OF 90° AND DEED DISTANCE TO ②.
- 5) FROM ① I HELD 5.00 FEET ON LINE WITH ② TO POINT ③. FROM ③ I HELD 100.00 FEET ON LINE WITH ④ TO POINT ④. FROM ④ I HELD 90° DEED DISTANCE OF 100.00 FEET TO POINT ⑤.
- 6) BLOCK 322, "EAST PORTLAND" IS AS PER CITY OF PORTLAND ORDINANCE NO. 9433 DATED SEPTEMBER 7, 1985.

NOTES

1. THERE ARE NO KNOWN OCCUPIABLE GEODETIC MONUMENTS WITHIN ONE-HALF MILE OF THIS PLAT.

LEGEND

- DENOTES MONUMENT FOUND AS NOTED.
- DENOTES 5/8" x 3/8" IRON ROD WITH YELLOW PLASTIC CAP MARKED CHASE, JONES & ASSOC.
- M.B. = MARSHALL BROTHERS
- M.S. = MEASURED
- FND = FOUND
- B.S. = BRASS SCREW
- S.M. = SURVEY MARKER, MULTNOMAH COUNTY SURVEY RECORDS

REGISTERED PROFESSIONAL LAND SURVEYOR
 CLARE JONES

REGISTRATION EXPIRES
 FEBRUARY 1993

THIS DRAWING IS AN EXACT COPY OF THE ORIGINAL.

INDEX SHEET

- SHEET 1.....BOUNDARY SURVEY & INDEX SHEET
- SHEET 2.....BUILDING LOCATION
- SHEET 3.....BASEMENT PLAN
- SHEET 4.....FIRST FLOOR PLAN
- SHEET 5.....SECOND FLOOR PLAN
- SHEET 6.....ATTIC TO UNITS 534 & 536
- SHEET 7.....ELEVATION VIEWS
- SHEET 8.....REGULATION APPROVED SHEETS SURVEYOR'S CERTIFICATE & APPROVALS

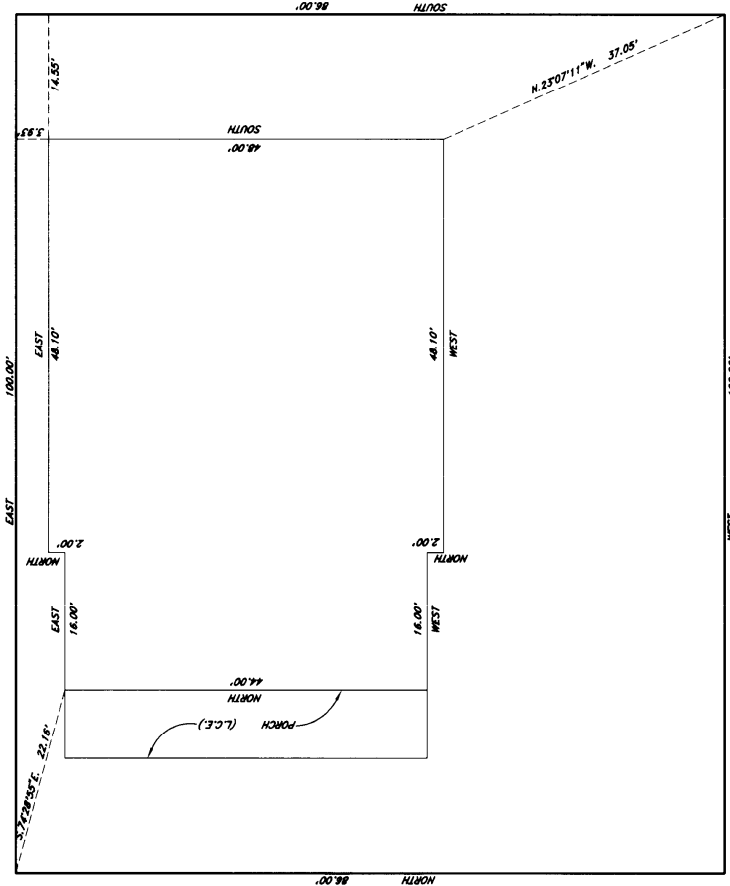
SHERLOCK HOUSE CONDOMINIUMS

A REPLAT OF A PORTION OF BLOCK 322, "EAST PORTLAND"
 SITUATED IN THE N. E. 1/4 SECTION 2, T. 1 S., R. 1 E., W. 4
 CITY OF PORTLAND - MULTNOMAH COUNTY, OREGON

DATE: FEBRUARY 5, 1988
 SCALE: 1" = 10'
 JOB NO. 8716

BY: CHASE, JONES & ASSOCIATES, INC.
 1500 S.W. 10TH AVENUE
 PORTLAND, OREGON 97205
 PHONE: (503) 228-8844

S. E. 15TH AVENUE



LEGEND

L.C.E. = LIMITED COMMON ELEMENT

REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

Chris D. Jones

OREGON
 STATE BOARD OF
 LAND SURVEYORS
 6/15/80-79

THIS TRACING IS AN EXACT
 COPY OF THE ORIGINAL.

SHERLOCK HOUSE CONDOMINIUMS

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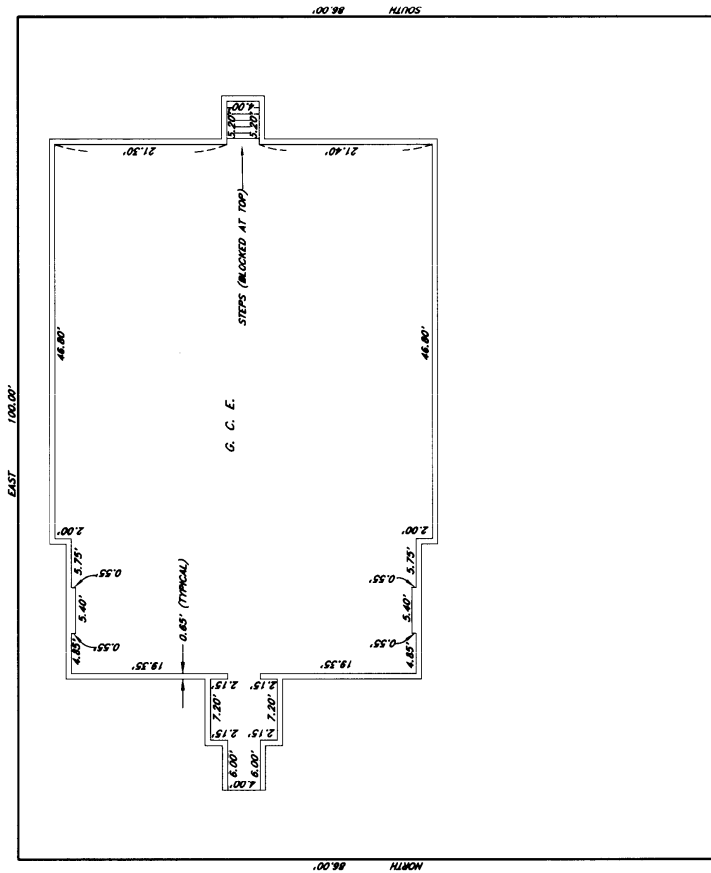
A REPLAT OF A PORTION OF BLOCK 322, "EAST PORTLAND"

SITUATED IN THE N. E. 1/4 SECTION 2, T. 1 S. R. 1 E., W. 4.
CITY OF PORTLAND - MULTNOMAH COUNTY, OREGON

DATE: FEBRUARY 5, 1998
SCALE: 1" = 10'
JOB NO. 9716

BY: CHASE JONES & ASSOCIATES, INC.
1000 S.W. 17TH AVENUE
PORTLAND, OREGON 97201
PHONE: (503) 528-8844

S. E. 15TH AVENUE



LEGEND

G.C.E. = GENERAL COMMON ELEMENT

THIS TRACING IS AN EXACT COPY
OF THE ORIGINAL.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Chase Jones

OREGON
BERTIC D. JONES
1976
C.C. 670-77

BASEMENT
SHEET 3 OF 8

SHERLOCK HOUSE CONDOMINIUMS

BOOK 1228 PAGE 78

A REPLAT OF A PORTION OF BLOCK 322, "EAST PORTLAND"
 SITUATED IN THE N. E. 1/4 SECTION 2, T. 1 S., R. 1 E., W.M.
 CITY OF PORTLAND - MULTNOMAH COUNTY, OREGON

DATE: FEBRUARY 5, 1986
 SCALE: 1" = 10'
 JOB NO. 8716

BY: CHASE JONES & ASSOCIATES, INC.
 1540 S.W. 12TH AVENUE
 PORTLAND, OREGON
 PHONE: (503) 228-8444



LEGEND

- L.C.E. = LIMITED COMMON ELEMENT
- G.C.E. = GENERAL COMMON ELEMENT
- S.F. = SQUARE FEET
- BLDG. = BUILDING

THIS TRACING IS AN EXACT COPY OF THE ORIGINAL.

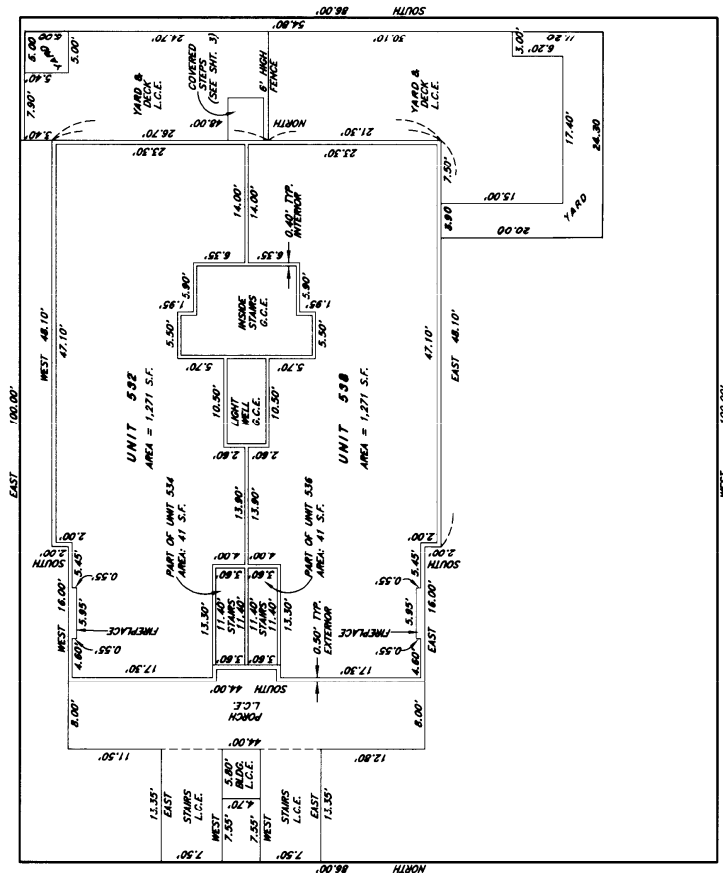
REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

Chase D. Jones

OREGON
 JANU 14 1986
 1894

EX. 6-90-99

FIRST FLOOR
 SHEET 4 OF 8



15TH AVENUE S. E.

SHERLOCK HOUSE CONDOMINIUMS

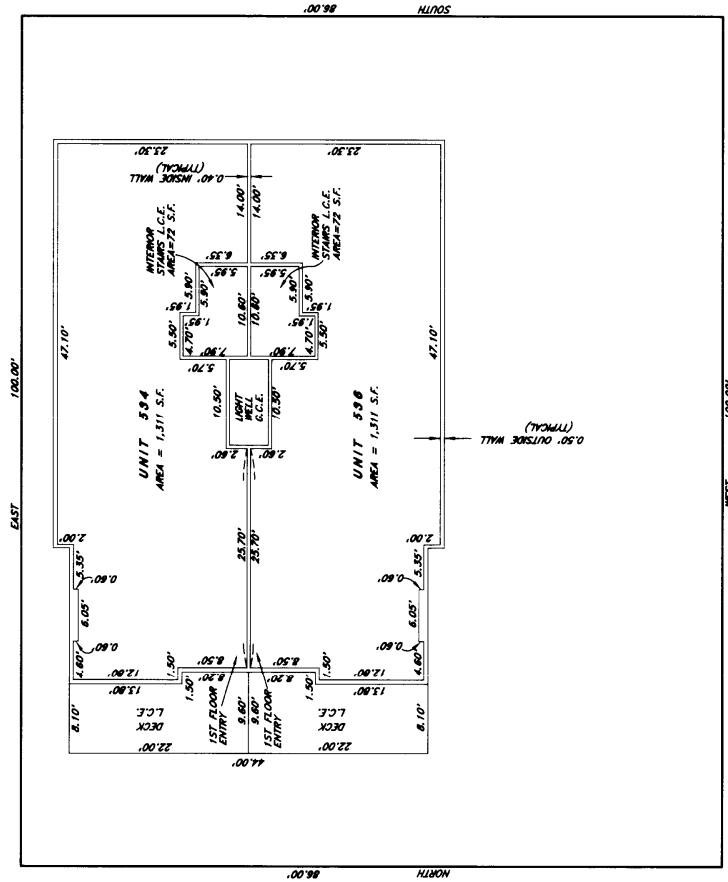
A REPLAT OF A PORTION OF BLOCK 322, "EAST PORTLAND"

SITUATED IN THE N. E. 1/4 SECTION 2, T. 1 S., R. 1 E., W. 4.
CITY OF PORTLAND - MULTNOMAH COUNTY, OREGON

DATE: FEBRUARY 5, 1986
SCALE: 1" = 10'
JOB NO. 3716

BY: CHASE JONES & ASSOCIATES, INC.
1500 S.W. 15TH AVENUE
PORTLAND, OREGON 97205
PHONE: (503) 228-9844

S. E. 15TH AVENUE



LEGEND

- L.C.E. = LIMITED COMMON ELEMENT
- G.C.E. = GENERAL COMMON ELEMENT
- S.F. = SQUARE FEET

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REGISTERED PROFESSIONAL LAND SURVEYOR

Chase Jones

OREGON PUBLIC D. JONES
1986
O.C. 5-30-79

SECOND FLOOR
SHEET 5 OF 8

SHERLOCK HOUSE CONDOMINIUMS

A REPLAT OF A PORTION OF BLOCK 323, "EAST PORTLAND"

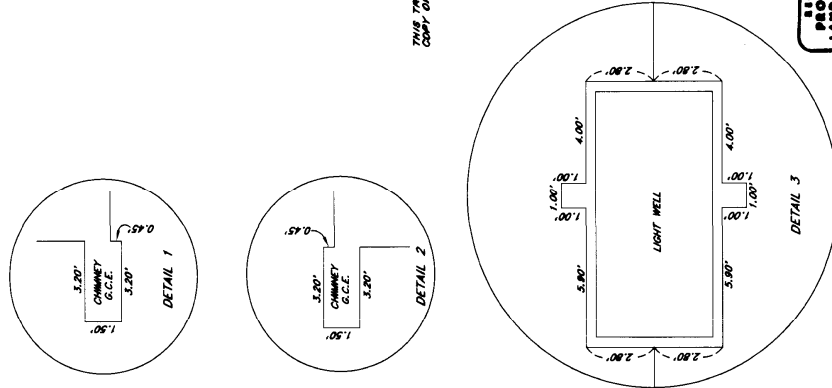
SITUATED IN THE N. E. 1/4 SECTION 2, T. 1 S. R. 1 E., W.M.
CITY OF PORTLAND - MULTNOMAH COUNTY, OREGON

DATE: FEBRUARY 5, 1988
SCALE: 1" = 10'
JOB NO. 9716

BY: CHASE-JONES & ASSOCIATES, INC.

1500 S.W. 12TH AVENUE
PORTLAND, OREGON
PHONE: (503) 286-8844

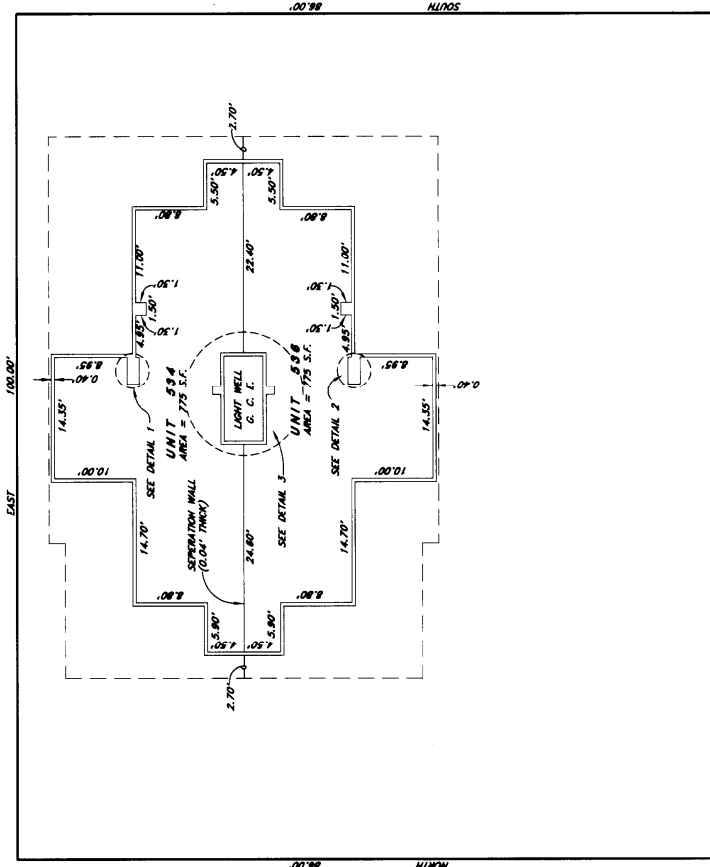
S. E. 15TH AVENUE



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REGISTERED PROFESSIONAL LAND SURVEYOR
C. J. Jones

OREGON
BRUCE B. JONES
1982
EX. 6-38-99



LEGEND
G.C.E. = GENERAL COMMON ELEMENT
S.F. = SQUARE FEET

ATTIC TO UNITS 534 & 536
SHEET 6 OF 8

SHERLOCK HOUSE CONDOMINIUMS

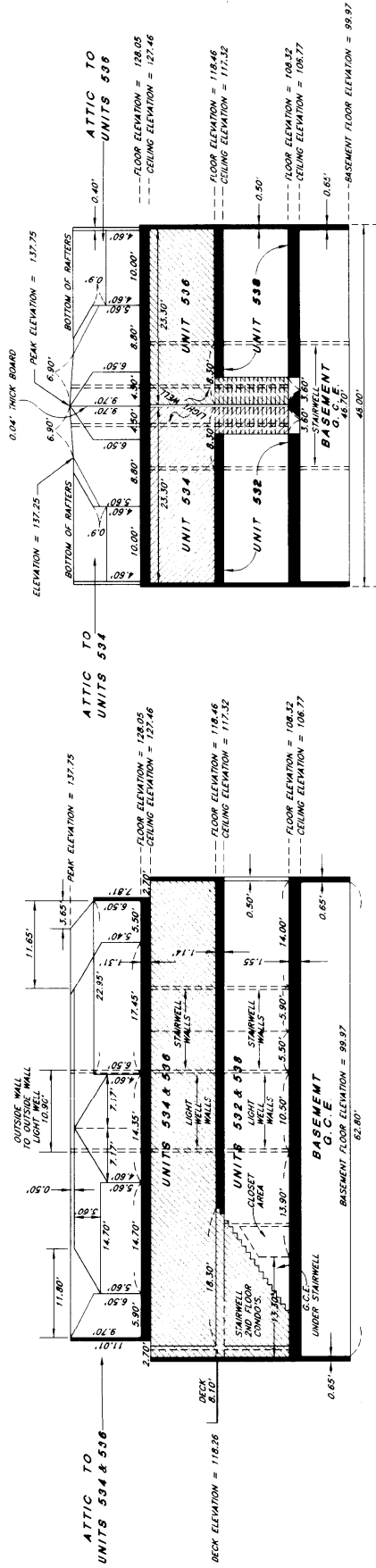
A REPLIT OF A PORTION OF BLOCK 322, "EAST PORTLAND"

SITUATED IN THE N.E. 1/4 SECTION 2, T. 1 S., R. 1 E., W.M.
CITY OF PORTLAND - MULTNOMAH COUNTY, OREGON

BOOK 1228 PAGES 81

DATE: FEBRUARY 5, 1988
SHEET NO. 10
JOB NO. 8716

BY: CHASE, JONES & ASSOCIATES, INC.
1400 S.W. 10TH AVENUE
PORTLAND, OREGON
PHONE: (503) 228-8844



SOUTH VIEW (LOOKING NORTH)

THIS TRACING IS AN EXACT COPY OF THE ORIGINAL.

REGISTERED PROFESSIONAL LAND SURVEYOR
Gene Dyer
STATE OF OREGON
EXPIRES 12 MONTHS
1988
EX. C-200-39

BENCH MARK: CITY OF PORTLAND DATUM, B.M. 1820, ELEVATION = 71.15
(N.W. CORNER S.W. ALDER & S.W. 11TH ST.)

ELEVATION VIEWS
SHEET 7 OF 8

SHERLOCK HOUSE CONDOMINIUMS

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A REPLAT OF A PORTION OF BLOCK 322, "EAST PORTLAND"
SITUATED IN THE N. E. 1/4 SECTION 2, T. 1 S., R. 1 E., W. 4
CITY OF PORTLAND - MULTNOMAH COUNTY, OREGON

DATE: FEBRUARY 5, 1998
JOB NO. 5776

BY: CHASE JONES & ASSOCIATES, INC.
1000 COMMERCE
PORTLAND, OREGON
PHONE: (503) 228-8644

DECLARATION

KNOW ALL PERSONS BY THESE PRESENTS: THAT GARY WHITNELL-BALZUK AND
GARY S. WHITNELL-BALZUK, ROBERT F. SPITZER, STANLEY T. ZAK AND KATHY A. ZAK
AS DESCRIBED IN THE ACCOMPANYING SURVEYOR'S CERTIFICATE, TO BE A TIME AND CORRECT MAP
AND PLAT THEREOF, AND SAID PERSONS DO HEREBY COMMIT SAID LAND TO THE OPERATION
OF OREGON CONDOMINIUM ACT AS SAID OUT IN CHAPTER 100 OF THE OREGON REVISED STATUTES.
PERSONS OF THE PLAT ARE SUBJECT TO THE PROVISIONS OF
OREGON REVISED STATUTES 100.040 TO 100.042.

Gary Whitnell-Balzuk
Robert F. Spitzer
Stanley T. Zak
Kathy A. Zak

SURVEYOR'S CERTIFICATE

I, ERIC D. JONES, CERTIFY THAT I HAVE CORRECTLY SURVEYED AND MARKED WITH PROPER
PLAT OF SAID HOUSE CONDOMINIUMS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
A TRACT OF LAND BEING A PORTION OF BLOCK 322 OF THE DAILY RECORDED
PLAT OF "EAST PORTLAND" SITUATED IN THE N. E. 1/4 SECTION 2, T. 1 S., R. 1 E., W. 4,
MULTNOMAH COUNTY, AND THE STATE OF OREGON BEING MORE PARTICULARLY DESCRIBED
AS FOLLOWS:
BEGINNING AT THE INITIAL POINT, A FOUND 5/8" X 25" IRON ROD,
SAID POINT BEARS SOUTH 144.00 FEET FROM THE
WELL'S CORNER OF SAID BLOCK 322, WHICH IS REFERENCED BY A FOUND
WELL'S CORNER OFFSET 5.00 FEET WEST; SAID INITIAL POINT BEING IN THE WEST LINE OF
SAID BLOCK 322, THENCE EAST 100.00 FEET TO A POINT IN THE EAST LINE OF LOT 12,
EAST LINE OF LOT 8 AND ITS SOUTHERLY EXTENSION A DISTANCE OF 88.00 FEET TO THE
SOUTH LINE OF THAT TRACT OF LAND DESCRIBED IN DOCUMENT NO. 102-12504, MULTNOMAH
COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
A POINT ON THE EAST-NORTH-OF-WAY LINE OF S. E. 15TH AVENUE, THENCE NORTH ALONG SAID
EAST-NORTH-OF-WAY LINE 86.00 FEET TO THE INITIAL POINT.

ACKNOWLEDGEMENT

STATE OF OREGON } S.S.
COUNTY OF MULTNOMAH }

BE IT REMEMBERED: THAT ON THIS 5th DAY OF Feb 1998, BEFORE
ME, A NOTARY PUBLIC IN AND FOR SAID STATE AND COUNTY, PERSONALLY APPEARED GARY WHITNELL-BALZUK
AND GARY S. WHITNELL-BALZUK, ROBERT F. SPITZER, STANLEY T. ZAK AND KATHY A. ZAK, WHO
ALL BEING OF SOUND MIND AND SOUND MEMORY, AND THE SEVERAL PERSONS
NAMED AND DESCRIBED IN THE FOREGOING, AND THAT THE SEVERAL PERSONS
AFFIRMED TO SAID INSTRUMENT WERE OF THEIR OWN FREE WILL AND DEED.



Gary S. Whitnell-Balzuk
NOTARY PUBLIC FOR THE STATE OF OREGON
MY COMMISSION EXPIRES: 11/9/2001

APPROVALS

APPROVED THIS 5th DAY OF Feb 1998
CITY OF PORTLAND BUREAU OF BUILDINGS
By: Margaret M. Deane

APPROVED THIS 11th DAY OF MARCH 1998
MULTNOMAH COUNTY SURVEYOR
By: Sue P. Ouellet - Deane

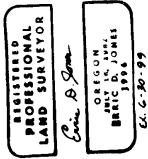
ALL TAXES, FEES, ASSESSMENTS OR OTHER CHARGES
AS PROVIDED BY O.R.S. 108.110 HAVE BEEN PAID
AS OF THIS 25th DAY OF JULY 1998
By: [Signature]
DIRECTOR, DIVISION OF ASSESSMENT & VALUATION
MULTNOMAH COUNTY SURVEYOR

STATE OF OREGON } S.S.
COUNTY OF MULTNOMAH }
I, DO HEREBY CERTIFY THAT THE ATTACHED
CONDOMINIUM PLAT WAS RECEIVED FOR RECORD AND
RECORDED THIS 25th DAY OF JULY 1998
AT 2:21 P. M. IN BOOK 1288, PAGES 75-82
COUNTY RECORDING OFFICE
By: [Signature]
DOCUMENT NO. 08-11154

COMPLETION CERTIFICATE

I, ERIC D. JONES, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT
THE PLAT OF "SHERLOCK HOUSE CONDOMINIUMS" FULLY AND ACCURATELY DEPICTS THE BOUNDARIES
OF THE UNITS AND OF THE BUILDINGS AND THAT CONSTRUCTION OF THE UNITS AND BUILDINGS, AS
DEPICTED ON SAID PLAT, HAS BEEN COMPLETED.

DATED THIS 5th DAY OF Feb 1998
Eric D. Jones
ERIC D. JONES - P.L.S. NO. 1996



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



163.00

98111155 2:21pm 06/25/98

013 20017872 02 14
C06 32 0.00 160.00 0.00 3.00 0.00

After Recording Return to:
Jonathan V. Barg
Attorney at Law
One SW Columbia, Suite 1880
Portland, OR 97258

EXHIBIT B TO CONDOMINIUM DECLARATION
FOR SHERLOCK HOUSE CONDOMINIUMS

BYLAWS

OF

THE ASSOCIATION OF UNIT OWNERS OF
SHERLOCK HOUSE CONDOMINIUMS

ARTICLE I
PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The condominium, located in the City of Portland, County of Multnomah, State of Oregon, known as the Sherlock House Condominiums, is submitted to the provisions of ORS 100.005 et seq., the Oregon Condominium Act.

Section 2. Bylaws Applicability. The provisions of these bylaws are applicable to the condominium, the owners' association, and the entire management structure thereof. (The term "condominium" as used herein shall include the land.)

Section 3. Personal Application. All present or future owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the condominium in any manner, are subject to the regulations set forth in these bylaws. The acquisition, occupancy, or rental of any of the units of the condominium, or the mere act of occupancy of any such units will constitute acceptance and ratification of these bylaws and agreement to comply with all the provisions hereof.

Section 4. Definitions. Except as otherwise provided below, the terms herein shall have the meaning set forth in the Oregon Condominium Act, ORS 100.005 et seq., as supplemented by the declaration, and the statute and definitions are incorporated herein by this reference.

ARTICLE II

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

Section 1. Membership in the Association. Upon recordation

PAGE 1 - BYLAWS OF SHERLOCK HOUSE CONDOMINIUMS

B2

JUNE 25, 1998

of a conveyance or contract to convey a unit, the grantee or purchaser named in the conveyance or contract shall automatically be a member of the association, and shall remain a member of the association until the person's ownership ceases for any reason. For all purposes of the condominium declaration ("declaration"), and the administration of the property, unit ownership shall be determined, from the records maintained by the association. The record shall be established by the unit owner filing with the association a copy of the deed to or land sale contract for his or her unit, to which shall be affixed the certificate of the recording officer of the County of Multnomah, Oregon, showing the date and place of recording of such deed or contract. No person shall be recognized as a unit owner unless a copy of the deed or contract has been filed with the association as provided above showing him to be the current owner or contract purchaser of a unit. Notwithstanding the foregoing, Gary Whitehill-Baziuk, Gina Whitehill-Baziuk, Robert Spitzer, Melanie Spitzer, Stanley Zak and Katherine Zak (collectively, "Declarant"), shall be the owner of all previously unsold units, although no deed or land sale contract with respect to such units has been filed with the association.

Section 2. Voting. The owner or co-owner of each unit shall be entitled to one (1) vote per unit. The calling and conducting of meetings of the association of unit owners and the exercise of voting rights shall be controlled by Articles II and III of the bylaws. Any tie vote of the owners shall be resolved in by the chairman of the association who shall cast one (1) additional vote.

Section 3. Majority of Owners. As used in these bylaws, the term "majority of owners" shall mean those owners holding over fifty percent (50%) of the voting rights allocated to the unit owners in accordance with the declaration and section 2 above. "Majority of owners present" shall mean owners holding over fifty percent (50%) of the votes present at any legal meeting.

Section 4. Quorum. Except as otherwise provided in these bylaws, the presence in person, by proxy, or by ballot of owners holding more than fifty percent (50%) of the outstanding votes in the condominium, as defined in section 2 of this article, shall constitute a quorum; provided, however, the quorum at any adjourned meeting, as described in Article III, section 7, shall be reduced to fifty percent (50%) of the outstanding votes in the condominium.

Section 5. Proxies; Ballots. Votes may be cast in person, by proxy, or by written ballot. Proxies must be filed with the secretary before or during the appointed meeting. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. In the sole discretion of the board of directors, a meeting of the association may be by ballot, rather than at a formal gathering. Ballots for such meeting must be properly executed and returned in sufficient

quantity to constitute a quorum and/or to pass the proposal specifically propounded on the ballot. Unless withdrawn, a proxy given to another person to vote at a specific meeting shall also be valid at an adjourned meeting called under the provisions of Article III, section 7.

Section 6. Authority to Vote. All owners shall be entitled to vote, including those who have leased their premises to a third party. An owner's right to vote may not be revoked. A purchaser under a land sale contract entitled to immediate possession of the unit shall be deemed the owner thereof, unless otherwise provided in such contract.

Section 7. Fiduciaries and Joint Owners. An executor, administrator, guardian, or trustee may vote, in person, by proxy, or ballot, at any meeting of the association with respect to any unit owned or held by him in such capacity, whether or not the same shall have been transferred to his or her name; provided that he or she shall satisfy the secretary that he or she is the executor, administrator, guardian, or trustee, holding such unit in such capacity. Whenever any unit is owned by two (2) or more persons jointly according to the records of the association, the vote of the unit may be exercised by any one (1) of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of the unit shall be disregarded completely in determining the proportion of votes given with respect to such matter.

Section 8. Actions by Association; Legal Meeting. Except as otherwise provided in the declaration, these bylaws, the Oregon Condominium Act, or the Oregon Nonprofit Corporation Act, decisions and resolutions of the association shall require approval by a majority of owners present at any legal meeting. A legal meeting is one duly called pursuant to these bylaws where a quorum is present in person, by proxy, or by ballot at a ballot meeting.

ARTICLE III ADMINISTRATION

Section 1. Association Responsibilities. The owners of the units constitute the members of the Association of Unit Owners of Sherlock House Condominiums (the "association"), which has the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments, and arranging for the operation, management, and maintenance of the condominium, including negotiating and contracting with and supervising any person, persons, or business entity with respect to such matters. The association of unit owners shall be an Oregon nonprofit corporation.

PAGE 3 - BYLAWS OF SHERLOCK HOUSE CONDOMINIUMS

JUNE 25, 1998

Section 2. Place of Meetings. Formal meetings of the association shall be held at the principal office of the condominium or such other suitable place convenient to the owners as may be designated by the board of directors. The vote of a ballot meeting shall be determined by the board of directors within forty-eight (48) hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within forty-eight (48) hours of the postponed date. Each unit owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned, within ten (10) days after the ballots have been counted.

Section 3. Turnover Meeting. The turnover meeting (which shall constitute the initial organizational meeting) shall be held not later than ninety (90) days following the earlier of conveyance to persons other than Declarant of seventy-five percent (75%) of the number of units which Declarant has reserved the right to create or three (3) years from the date of conveyance of the first unit to someone other than Declarant in the Condominium, whichever is earlier. The turnover meeting shall be called by notice to all unit owners of the time, place, and purpose thereof not less than seven (7) nor more than sixty (60) days before the meeting. If such meeting is not called by Declarant within the time specified, the meeting may be called and notice given by a unit owner.

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

Section 4. Annual Meetings. The first annual meeting of the association shall be held in the calendar year following the calendar year in which the turnover meeting is held and shall be set by action of the board of directors. This meeting, at the discretion of the board of directors, may be changed from time to time, but must be held annually under the rules and regulations as set out in the bylaws. At such meetings, new members of the board of directors shall be elected by the owners in accordance with the requirements of section 6 of Article IV of these bylaws, to replace those directors whose terms have expired. The owners may also transact such other business of the association as may properly come before them.

Section 5. Special Meetings. It shall be the duty of the chairperson to call a special meeting of the owners as directed by resolution of the board of directors or upon written notice signed by one (1) or more of the owners having been presented to the secretary. All meetings called because of petition of unit owners shall be held at a formal gathering and not by ballot, and shall be held within sixty (60) days after receipt of the petition. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all the owners of the units or as otherwise set out in these bylaws.

Section 6. Notice of Meetings. It shall be the duty of the secretary to mail by first-class or certified mail or to hand-deliver a notice of each annual or special meeting, stating the purpose thereof and the time and place where it is to be held, to each owner of record at least seven (7) but not more than sixty (60) days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. It shall be the duty of the secretary to hand-deliver or mail by first-class or certified mail written ballots for ballot meetings to each owner of record not less than twenty (20) days before the date such ballots must be received by the association in order to be counted. The mailing shall be to the owner's address last given the secretary in writing by the unit owner or his or her vendee. If unit ownership is split or the unit has been sold on a contract, notice shall be sent to a single address, of which the secretary has been notified in writing by such parties. If no address has been given the secretary in writing, then mailing to the condominium unit shall be sufficient. The mailing of a notice in the manner provided in this section shall be considered notice served.

Section 7. Adjourned Meetings. If any gathering of owners is not a legal meeting because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than twenty (20) days from the time the original meeting was called. The board of directors may postpone the date for counting the ballots of a ballot meeting, in one or more postponements, for up to ninety (90) days after the originally scheduled ballot return date if a quorum of ballots has not been returned and/or for matters on which a certain percentage approval is required and that vote has not been received nor have sufficient votes in opposition been received to negate such approval.

Section 8. Order of Business. The order of business at all meetings of the owners of units shall be as follows unless the board of directors sets a different agenda:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.

PAGE 5 - BYLAWS OF SHERLOCK HOUSE CONDOMINIUMS

- (c) Reading of minutes of the preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees, if any.
- (f) Election of directors.
- (g) Unfinished business.
- (h) New business.

**ARTICLE IV
BOARD OF DIRECTORS**

Section 1. Number and Qualification. The affairs of the association shall be governed by a board of directors composed of three (3) persons, each of whom must be a unit owner or the co-owner of a unit. An officer or employee of a corporation, or a member of a limited liability company; a partner of a partnership, or the trustee of a trust, or personal representative of an estate, or an employee of the trust or estate may serve on the board of directors, if the corporation, limited liability company, partnership, trust, or estate owns a unit.

Section 2. Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the association and may do all such acts and things as are not by law or by these bylaws directed to be exercised and done by the owners.

Section 3. Other Duties. In addition to duties imposed by these bylaws or by resolutions of the association, the board of directors shall have authority to carry out and be responsible for the following matters:

(a) Care, upkeep, and supervision of the condominium and the general common elements and the limited common elements, if any, and assigning, supervising assignments, or approving any assignment of the use of any common element, general or limited, as may be required by the declaration.

(b) Establishing and maintaining replacement reserve accounts and other reserves that are required to be maintained by the Oregon Condominium Act or these bylaws and such other reserve accounts as are permitted by these bylaws.

(c) Designation and collection of monthly assessments from the owners, in accordance with these bylaws, the declaration, and the Oregon Condominium Act.

(d) Establishing a budget for payment of all common expenses of the association, and institution and maintenance of a system for such payment as may be reasonably necessary to prevent any misuse of association funds.

(e) Obtaining and maintaining insurance policies and payment of premiums therefor out of the common expense funds in respect to both the common elements and individual units as more specifically provided in Article VIII of these bylaws.

(f) Employment and dismissal of the personnel necessary for the maintenance and operation of the condominium, the general common elements, and the limited common elements, if any.

(g) Employment of legal, accounting or such other personnel for reasonable compensation to perform such services as may be required for the proper administration of the association and for the preparation of any required tax returns.

(h) Causing the preparation and distribution of annual financial statements of the condominium to each of the unit owners as more specifically provided in Article XII of these bylaws.

(i) Adoption and amendment of administrative rules and regulations governing the details of operation and use of the common elements; provided, however, any such rules or regulations shall always be subject to rescission or amendment by the association upon majority vote of owners present at any properly called meeting at which a quorum is present.

(j) Causing the association to comply with ORS 100.480 relating to maintenance of documents delivered to the association by Declarant and maintenance and distribution of financial statements. Also to maintain copies suitable for duplication of the following: declaration, bylaws, association rules and regulations and any amendments thereto, the most recent annual financial statement, and the current operating budget of the association.

Section 4. Management Agent. The board of directors may employ a management agent, to be compensated in an amount established by the board, to perform such duties and services as the board shall authorize, including, but not limited to, the duties listed in section 3 of this article.

Section 5. Interim Directors. Upon the filing of the declaration submitting the condominium to the Oregon Condominium Act, Declarant shall appoint an interim board of not more than three (3) directors (who need not be owners of units), who shall serve until replaced by Declarant or their successors have been elected by the unit owners at the turnover meeting as hereinafter provided. Notwithstanding the provisions of section 1 of this article, the interim board may consist of one (1), two (2), or three (3) directors, in the discretion of the Declarant.

Section 6. Election and Term of Office. At the turnover meeting of the association, three (3) directors shall be elected. One (1) director shall be elected to serve a one (1) year term and

two (2) directors shall be elected to serve a two (2) year term. After the initial elections, all directors shall be elected to serve a term of two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting. At the turnover meeting, upon agreement by vote of the owners, the board of directors may be elected by a single ballot with each owner permitted to vote for three (3) nominees. The association may increase or decrease the number of directors and length of terms for which each is elected upon amendment of this section 6.

Section 7. Vacancies. Vacancies on the board of directors caused by any reason other than the removal of a director by a vote of the association shall be filled for the balance of the term of each directorship by vote of a majority of the remaining directors, even though they may constitute less than a quorum, each person so elected shall be a director until a successor is elected upon expiration of the term for which the person was elected by the other directors to serve. Vacancies on the interim board shall be filled by the Declarant.

Section 8. Removal of Directors. At any regular or special meeting, other than a meeting by ballot, any one or more of the directors may be removed, with or without cause, by a majority vote and a successor shall be elected at that meeting to fill the vacancy thus created. The notice of any such meeting shall state that such removal is to be considered and any director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

Section 9. Organizational Meeting. The first meeting of a newly elected board of directors shall be held within fourteen (14) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order to legally hold such meeting, provided that a majority of the newly elected directors are present.

Section 10. Regular Meetings. Regular meetings of the board of directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings of the board of directors may be called by the chairman on three (3) days' notice to each director, given personally or by mail, telephone, telegraph, or other similarly reliable method, which notice shall state the time, place, and purpose of the meeting.

Section 11. Special Meetings. Special meetings of the board of directors may be called by the chairman or secretary or on the written request of at least one (1) director. Special meetings of the board of directors may be called on three (3) days' notice to each director, given personally or by mail, telephone, or

telegraph, which notice shall state the time, place, and purpose of the meeting.

Section 12. Waiver of Notice to Directors. Before, at or after any meeting of the board of directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall be a waiver of notice by him or her of the time and place thereof, except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all the directors are present at any meeting of the board, no notice to directors shall be required and any business may be transacted at such meeting.

Section 13. Board of Directors' Quorum. At all meetings of the board of directors, a majority of the existing directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors shall be the acts of the board of directors. If at any meeting of the board of directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice. Any tie vote of the directors shall be resolved by the chairman of the association who shall cast one (1) additional vote.

Section 14. Board of Directors Meetings Open to All Association Members. All meetings of the board of directors shall be open to all members of the association. No association member shall have a right to participate in the board of directors meetings unless the member is also a member of the board of directors. The chairman shall have authority to exclude any association member who disrupts the proceedings at a meeting of the board of directors.

Section 15. Notice to Association Members of Board of Directors Meetings. For other than emergency meetings, notice of board of directors meetings shall be posted at a place on the condominium property at least three (3) days prior to the meeting or notice shall otherwise be provided to each member of the association reasonably calculated to inform each member of such meetings. The posting of the notices shall be at a reasonable location which has been generally publicized to the unit owners.

Section 16. Telephonic Meetings. In the event of an emergency, telephonic meetings may be held by the board of directors. Such telephonic meetings shall be carried on by means of a "conference call" in which each director may speak with any of the other directors. The directors shall keep telephone numbers on file with the chairman to be used for telephonic meetings. No notice to either directors or association members shall be required

for a telephonic meeting of the board of directors to be held for any emergency action; provided, however, no such telephonic meeting shall occur unless at least seventy-five percent (75%) of the board of directors participate in the same and after an attempt has been made to call each director at the telephone number maintained on file with the board of directors for such purpose.

Section 17. Compensation of Directors. No director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by vote of the unit owners.

ARTICLE V OFFICERS

Section 1. Designation. The principal officers of the association shall be a chairman, a secretary, and a treasurer, all of whom shall be elected by the directors. The position of secretary and treasurer may be held by one (1) person. The directors may appoint such other officers as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the association may be elected by the board of directors at the organizational meeting of each new board or any board meeting thereafter, and shall hold office at the pleasure of the board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the board of directors, any officer may be removed, either with or without cause, and his or her successor elected at any regular or special meeting of the board of directors.

Section 4. Chairman. The chairman shall be the chief executive officer of the association. He or she shall be a member of the board of directors and shall preside at all meetings of the association and of the board of directors. He or she shall have all of the general powers and duties which are usually vested in the office of chairman of an association, including, but not limited to, the power to appoint committees from among the owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the association. Any tie vote of the board of directors or the owners shall be resolved by the chairman of the association who shall cast one (1) additional vote.

Section 5. Secretary. The secretary shall keep the minutes of all meetings of the board of directors and the minutes of all meetings of the association. He or she shall attend to the giving and serving of notices to the unit owners and directors and other notices required by law. He or she 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. In addition, the secretary shall act as vice-chairman, taking the place of the chairman and performing his or her duties whenever the chairman is absent or unable to act, unless the directors have appointed another vice-chairman.

Section 6. Treasurer. The treasurer shall have responsibility for association funds and securities not otherwise held by the managing agent, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the association in such depositories as may from time to time be designated by the board of directors.

Section 7. Directors as Officers. Any director may be an officer of the association. Officers other than the chairman need not be directors.

ARTICLE VI OBLIGATIONS OF THE OWNERS

Section 1. Assessments. All owners are obligated to pay annual assessments imposed by the association to meet all the condominium's common expenses, which shall include premiums for insurance required or permitted under Article VIII of these bylaws. In the discretion of the board of directors, the annual assessment may be made payable, semiannually, quarterly, or monthly. The annual assessment shall commence at the time of the first conveyance by Declarant to a unit owner. Prior to such time, Declarant shall pay all operating expenses of the condominium. All of the reserve accounts set up pursuant to these bylaws shall be funded by allocation and payment from the monthly assessment of unit owners. The assessment of all unit owners who may be benefitted by expenditure of reserve funds may be increased as necessary, so the reserve fund in question can be maintained in an amount sufficient to meet the needs for which such fund was established.

Except as otherwise provided in the declaration or these bylaws, each unit will be liable for the common expense in the same percentage as the percentage ownership in the common elements allocated to their units.

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

Expense Items:

- (a) Expenses of administration.

(b) Expenses of maintenance, repair or replacement of the common elements.

(c) Any deficit in common expenses for any prior period.

(d) Utilities for the common elements and other utilities with a common meter or commonly billed, such as electricity.

(e) At the discretion of the board of directors, the expense of basic cable television service to all units, together with maintenance and repair expenses for such system and service.

(f) Cost of insurance or bonds obtained in accordance with these bylaws.

(g) The cost of any professional management if required by mortgagees or desired by the board of directors.

(h) Legal, accounting, and other professional fees.

(i) Any other items properly chargeable as an expense of the association.

Reserve Items:

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

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

Act, the reserve account shall be used only for replacement of common elements and shall be kept separate from accounts for maintenance.

(b) In the discretion of the board of directors, a general operating reserve account by allocation and payment thereto monthly of an amount determined by the board of directors.

(c) Other special reserve funds as may be set up by the directors by special assessments of the unit owners who benefit thereby as may be required by the declaration or otherwise determined by the association of unit owners to be appropriate, including a reserve fund for any lease payments.

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

Section 2. Initial Assessment. The initial assessment to unit owners other than Declarant shall be determined by Declarant. The assessment shall thereafter be subject to review by the board of directors. Except as otherwise provided below, the assessment for all units shall be payable from the date the Declaration is recorded.

(a) At the time of closing, each purchaser shall contribute the sum of \$400.00 as a one-time contribution to the working capital of the association. Within sixty (60) days after conveyance by Declarant of the first unit in the condominium, Declarant shall make such contribution in respect to all units in the condominium that have not yet been conveyed to a purchaser. If Declarant has made such contribution, no further contribution shall be required to the association, but each purchaser shall reimburse Declarant at the time of closing for the amount of the contribution made by Declarant in respect to the unit conveyed to the purchaser. All such working capital contributions shall be promptly deposited by the Declarant in an account in the name of the association and maintained separately from reserve accounts. Such funds shall not be used by Declarant for any purpose, including payment of reserve contributions or to defray any of Declarant's expenses.

(b) If Declarant or any other person pays all of the operating expenses of the condominium or subsidizes such expenses, the assessment shall be reduced by such amount, but shall not be reduced to a sum less than the total amount of the replacement reserve items. In respect to units not yet conveyed by Declarant, Declarant may accrue the replacement reserve items. At the time of conveyance of the unit for which the replacement reserve has been accrued, the accrued reserves must be paid to the association. Declarant, or such other person paying all operating expenses or subsidizing such expenses, shall give ten (10) days' written notice to individual unit owners prior to the commencement of their obligation to pay the full assessment. Thereafter, each owner, including Declarant or such other person, shall pay the assessments to the association.

(c) If the association expenses are temporarily less than projected by Declarant because some or most of the units are not yet sold or occupied, Declarant shall have the authority to reduce temporarily the assessment to reflect the lower expenses of the project.

Section 3. Special Assessments. The board of directors shall have the power to levy special assessments against an owner or all owners in the following manner for the following purposes:

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

(b) To collect amounts due to the association from an owner for breach of the owner's obligations under the declaration, these bylaws, or the association's rules and regulations, by vote of a majority of the board;

(c) Upon vote of a majority of the board of directors, to make repairs or renovations to the common elements if sufficient refunds are not available from the operating budget or replacement reserve accounts; or

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

Section 4. Payment of Assessments. Subject to the provisions of sections 2 and 3 of this Article VI, from the date the declaration is recorded, Declarant shall pay assessments due for operating expenses on all unsold units, provided that Declarant shall have the option to pay or require the unit owner to pay all accrued reserve assessments against the unit at the time of the initial sale to the unit owner.

Section 5. Budget; Income Tax Returns; Determination of Fiscal Year.

(a) The fiscal year of the association shall be the calendar year unless otherwise determined by the board of directors.

(b) The board of directors, in its sole discretion, shall determine the manner in which all necessary income tax returns are filed and select any and all persons to prepare such tax returns.

(c) At least sixty (60) days before the beginning of each fiscal year, the board of directors shall adopt a budget for the association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair, and replacement of the common elements and those parts of the units as to which it is the responsibility of the association to maintain, repair, and replace, and the cost of wages, materials, insurance premiums, services, supplies, and other expenses that may be declared to be common expenses by the Oregon Condominium Act, the condominium instruments, or a resolution of the association and which will be required during the ensuing fiscal year for the administration, operation, maintenance, and repair of the condominium and the rendering to the unit owners of all related services.

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

(d) The failure of the board of directors to timely prepare and/or to present a budget to the unit owners shall not be cause for any owner to fail or refuse to pay assessments. Assessments shall continue, based on the last adopted or accepted budget, until a new budget is created and announced. Retroactive increases and/or special assessments may be made by the board of directors to make up for any deficiency.

Section 6. Default. Failure by an owner to pay any assessment of the association shall be a default by such owner of his or her obligations pursuant to these bylaws and the Oregon Condominium Act and, in addition to the association's other remedies provided in the declaration, these bylaws shall entitle the association to declare the balance of such owner's annual

assessment otherwise being paid in installments to be immediately due and payable in full. Interest shall be charged on delinquent assessments at a rate as may be set by the board of directors, from time to time, not to exceed the lower of fourteen percent (14%) per annum or the highest rate permitted by applicable law. Prior to the imposition of or change in the interest rate charged on delinquent assessments, the board of directors shall give thirty (30) days' written notice to all owners.

In addition to the interest that may be charged on delinquent assessments, the board of directors, at its option, may impose a late penalty in respect to any assessment not paid within ten (10) days from the due date. The penalty may not exceed the sum of twenty-five percent (25%) of the delinquent assessment and shall be imposed only once on each regular or special assessment or installment of such assessments.

The association shall be entitled to a lien that may be enforced on compliance with the provisions of ORS 100.450. In any foreclosure suit by the association with respect to the lien, the association shall be entitled to collect reasonable rent from the defaulting owner for the use of his or her unit or shall be entitled to the appointment of a receiver pursuant to ORS 100.460. Liability for all assessments, charges, interest, fees (including attorney fees), and other sums owing by the unit owner pursuant to the declaration, these bylaws, the Oregon Condominium Act, and rules and regulations of the association shall be the personal obligation of the unit owner and may be enforced by suit for a money judgment, in addition to all other remedies of the association. Any default by the owner in any provisions of these bylaws or of the Oregon Condominium Act shall be deemed to be a default by the owner of any mortgage to which the owner is a party or to which the unit is subject.

Section 8. Maintenance and Repair.

(a) Every owner must perform promptly all maintenance and repair work within his or her own unit, which if omitted would affect the common elements of the condominium or a part thereof belonging to other owners, and shall be responsible for the damages and liabilities that his or her failure to do so may cause including, but not limited to, plugged toilets and bath drains and clothes washer and dishwasher overflow.

(b) All repairs of internal installations of each unit, such as water, lights, gas, power, sewage, telephones, air conditioners and sanitary installations, doors, windows, lamps, and all other accessories belonging to the unit area shall be at the sole expense of the owner of such unit.

(c) An owner shall reimburse the association for any expenditures incurred in repairing or replacing any common elements

and/or facility damaged through his or her fault, not otherwise covered by insurance policies carried by the owner or the association for the owner's and association's benefit. In such circumstances, the insurance obtained by the owners shall be deemed the primary coverage.

Section 9. Right of Entry: Encroachments; Easements for Maintenance.

(a) In case of an emergency originating in or threatening a unit, the owner shall grant the right of entry to the management agent or to any other person authorized by the board of directors or the association, whether or not the owner is present at the time.

(b) An easement is reserved to the association in and through any unit and the common elements providing access at reasonable times and with reasonable notice for purposes of maintenance, repair, and replacement of the common elements. If, in the process of such repair and maintenance by the association, it is necessary to alter or damage any unit or common elements, such alterations or damages will be permitted without compensation, provided the unit and/or common elements are promptly restored to substantially their prior condition by the association. Such blanket easement shall apply to any pipes, wires, cables or conduits situated within any unit and serving one (1) or more other units on the date of these bylaws. The easement shall extend to the replacement of any such item in substantially the same location as it is situated on the date of these bylaws.

(c) If any portion of the common elements encroaches on a unit, or a unit encroaches on any portion of the common elements, a valid easement for the encroachment and for the maintenance of the same, as long as it stands, shall exist. If the structures are partially or totally destroyed and then rebuilt, the owners of the units agree that minor encroachment of parts of the common elements due to such rebuilding shall be allowed and an easement shall exist for such purpose.

**ARTICLE VII
USE AND OCCUPANCY RESTRICTIONS;
RULES OF CONDUCT**

Failure by an owner (his or her family, invitees, or lessees) to comply with the rules of conduct and restrictions set forth here or others promulgated by the board of directors shall be cause for the board of directors to deny or restrict the owner's right to use any common-element facility with respect to which the owner otherwise had a right of use.

Section 1. Use as Private Dwelling Only. Each of the units

will be occupied as a single-family private dwelling by its owner or tenants, visitors, and guests, and for no other purpose. Subject to complying with applicable local ordinances and other restrictions of record, an owner may use his or her unit as a "home office," provided clients, customers, and employees do not regularly visit the "home office." All common elements shall be used in a manner conducive to such purpose. No unit owner shall be permitted to lease his or her unit for a period of less than thirty (30) days. No unit owner may lease less than the entire unit. A unit owner may lease his or her unit for a period of thirty (30) days or longer. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the declaration and the bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.

Section 2. Restriction on Alteration to Unit. No owner shall make structural modifications or alterations in his or her unit or installations located therein without previously notifying the association in writing by certified mail to the management agent, if any, or to the chairman, if no management agent is employed. The association shall have the obligation to answer within thirty (30) days, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration; provided, however, that nothing herein contained shall waive or limit an owner's obligation to comply with the provisions of ORS 100.535.

Section 3. Use of the Common Elements.

(a) No owner shall place or cause to be placed in the lobbies, patios, decks, ramps, vestibules, stairways, and other general common elements of the condominium of a similar nature any furniture, packages, or objects of any kind.

(b) No portion of the basement may be used for storage by a unit owner, except (i) with the written authorization of the board of directors in its discretion, and (ii) in accordance with all applicable laws, codes and regulations. If the board of directors allows any such storage, allocation of areas to be used for storage shall be made on an equitable basis in proportion to the percentage interests each unit owner has of the common areas. The board of directors may promulgate rules and regulations governing use of any storage areas. Declarant has not provided any representations or warranties to any unit owner regarding the availability of any portion of the basement for storage purposes or of the suitability of any portion of the basement for storage under applicable laws, codes and regulations.

Section 4. Pets. No animals shall be raised, kept or permitted within the condominium, except that dogs, cats or other household pets may be kept within a unit, subject to the

restrictions of this Section 4. Except with the prior written consent of the board of directors (i) no owner may keep in his or her unit more than one (1) dog, two (2) cats or a total of two (2) dogs and cats, and (ii) no owner may keep in his or her unit any dog weighing in excess of twenty-five (25) pounds. Any unit owner who maintains any pet upon any portion of the condominium shall be deemed to have indemnified and agreed to hold the association, each of its members, and Declarant free and harmless from any loss, claim, or liability of any kind or character whatever arising by reason of keeping or maintaining the pet within the condominium. All dogs shall be kept on a leash while outside a unit. A unit owner may be required to remove a pet after receipt of two notices in writing from the Board of Directors of violations of any rules, regulations or restrictions governing pets within the condominium. The owner shall further abide by the municipal sanitary regulations, leash laws, and rules or regulations of the association created by the board of directors. The board of directors shall have the power to require any person whose pet is a nuisance to remove the pet from the premises.

Section 5. Appearance of Condominium Building. No unit owner will cause anything to be hung, displayed, or placed on the walls, doors, windows, walkways, ceilings of walkways, or roof of the condominium building or any other common element nor otherwise change the appearance of any portion of the common elements without the prior written consent of the board of directors. No clothes lines or similar devices and no "For Sale" or "For Rent" signs will be allowed on any part of the condominium property without the prior written consent of the board of directors, except that Declarant may post reasonable signs in reasonable places on the Condominium property advertising any unit for sale or for rent.

Section 6. Nuisances. No nuisances will be allowed on the condominium property nor any use or practice that is the source of annoyance to residents or that interferes with the peaceful possession and proper use of the property by its residents. Residents shall exercise extreme care about creating disturbances, making noises, or using musical instruments, radios, televisions, and amplifiers that may disturb other residents. All parts of the condominium will be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage allowed to accumulate, nor any fire hazard allowed to exist. All such garbage and trash shall be placed inside disposal containers. No unit owner will permit any use of his or her unit or make any use of the common elements that will increase the cost of insurance on the condominium property.

No owner shall hang garments, rugs, and similar items from the windows or from any of the facades, decks, or terraces of the condominium, nor shall any owner hang or shake dust rags, mops, and similar items from the windows or porches or terraces, or clean such items by beating on an exterior part of the condominium.

Section 7. Improper, Offensive, or Unlawful Use. No improper, offensive, or unlawful use will be made of the condominium property nor any part of it; all valid laws, zoning ordinances, and regulations of governmental bodies having jurisdiction will be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification, or repair of the condominium property will be carried out and paid for in the same manner as the responsibility for the maintenance and repair of the property concerned.

Section 8. Restriction on Exterior Installations. No owner, resident, or lessee shall install wiring for electrical or telephone installation, exterior antennae, machines or air conditioning units, or similar devices on the exterior of the condominium building or cause them to protrude through the walls or the roof of the condominium except as authorized by the board of directors. No window guards, awnings, or shades shall be installed without the prior consent of the board of directors.

Section 9. Trailers, Campers and Boats. No recreational vehicles, campers, trailers, boats, boat trailers, vehicles in disrepair, or similar things may be parked or kept on condominium property without the prior written consent of the board of directors.

Section 10. Signs. Unless written approval is first obtained from the board of directors, no sign of any kind shall be displayed to the public view on or from any such unit or the common elements except signs used by the developer to advertise units for sale or lease.

Section 11. Trash. No part of any unit or any part of the common elements shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. No garbage, trash or other waste shall be kept or maintained on any part of the property except in sanitary containers in the designated areas.

Section 12. Additional Rules. Rules and regulations concerning other use of the condominium property may be made and amended from time to time by the association or the board of directors. Copies of such rules and regulations will be furnished to all unit owners and residents of the condominium, on request.

ARTICLE VIII INSURANCE

The board of directors shall obtain and maintain at all times insurance of the type and kind and in the amounts hereinafter provided, and including insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other condominiums similar in construction

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

Section 1. Types of Insurance Policies. For the benefit of the association and the owners, the board of directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance:

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

(b) A policy or policies insuring the association, its board of directors, the unit owners individually, and the manager, if any, against any liability to the public or the owners of units and their invitees or tenants, incident to the ownership, supervision, control, or use of the project. Limits of liability under such insurance shall be not less than \$1,000,000 per occurrence for bodily injuries and property damage liability. This limit and coverage shall be reviewed at least annually by the board of directors, which may increase the limit of and/or coverage, in its discretion. The policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsements wherein the rights of the named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured.

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

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

Section 2. Insurance Companies Authorized. All policies shall be written by a company licensed to do business in Oregon and hold a "Commissioner's rating" of "A+" and a size rating of "AAA,"

or better, by Best's Insurance Reports, or as may be otherwise acceptable to all mortgagees and directors.

Section 3. Authority to Adjust Losses. All losses under policies hereafter in force regarding the property shall be settled exclusively with the board of directors or its authorized representative; provided, however, that when a first mortgagee has been designated as a loss payee by a unit owner and the first mortgagee has requested the opportunity to exercise the rights provided by this section, the mortgagee shall be entitled to settle losses as to the mortgaged unit, provided that the loss which occurs is severable. Releases and proofs of loss shall be executed by at least two directors.

Section 4. Value of Owner Improvements. Each owner must inform the board of directors of the value of improvements made to his or her unit in excess of \$1,000 so that the board of directors may make any desired adjustments in insurance coverage. Nothing in this paragraph shall permit an owner to make improvements without first obtaining the approval of the board of directors pursuant to Article VII.

Section 5. Provisions in Insurance Policies. The board of directors shall make every effort to secure insurance policies that will provide for the following:

(a) A waiver of subrogation by the insurer as to any claims against the board of directors, the manager, the unit owners, and their respective servants, agents, and guests.

(b) A provision that the master policy on the condominium cannot be canceled, invalidated, or suspended on account of the conduct of any one or more individual owners.

(c) A provision that the master policy on the condominium cannot be canceled, invalidated, or suspended on account of the conduct of any officer or employee of the board of directors or the manager without prior demand in writing that the board of directors or manager cure the defect.

(d) A provision that any "no other insurance" clause in the master policy exclude individual owners' policies from consideration and not otherwise prevent such individual policies from providing coverage for damage to units or common elements.

(e) A rider on the master policy patterned after "Use and Occupancy" insurance which will provide relief from regular 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, rent, insurance, and mortgage payments.

Section 6. Reconstruction Costs. If the association is required or elects to reconstruct any of the common elements or units that have been damaged or destroyed, all affected unit owners (i.e., owners whose units or limited common elements have been damaged or destroyed) shall contribute to the association all amounts received by them from property loss insurance policies to the association to help pay for the repairs. To the extent such insurance proceeds are unavailable or unpaid when needed, the association shall assess any owner the amount of the association's "deductible" under its policy to pay the cost of repairing or reconstructing such owner's unit or limited common elements. The assessment shall be both a personal obligation of the owner and a lien against the owner's unit in the same manner as any other association assessment.

Section 7. Insurance Deductible/Owner and Tenant Insurance. The board of directors shall determine the amount of the deductible for property loss insurance policies, as well as other insurance policies required to be procured by the association under this Article VIII. In determining the deductible under the policies, the board, among other factors, shall take into consideration the availability, cost, and loss experience of the association. In this regard, as in other board responsibilities, the board members shall exercise their reasonable business judgment.

The association shall have no responsibility to procure or assist in procuring property loss insurance for any owner or tenant for (a) damage to a unit or limited common elements not covered by the association's policy (because of the deductible amount or because the claim for loss or damage is one not normally covered by fire and property loss insurance policies with extended coverage endorsements); or (b) for any damage or loss to the owner's or tenant's personal property. Owners shall be responsible for purchasing insurance policies insuring their units and appurtenant limited common elements for the deductible amount under the association's policies and for insuring their own personal property for any loss or damage. Tenants shall be responsible for insuring their own personal property for any loss or damage. The board of directors shall notify all owners of the amount of the deductible under the association policies. To the extent reasonably practicable, the board of directors shall give at least thirty (30) days' notice to the owners of any increase in the deductible proposed in renewal or replacement insurance policies owners and tenants of all units shall procure and maintain comprehensive liability policies having combined limits of not less than one million dollars (\$1,000,000) for each occurrence. Such insurance shall provide coverage for, but not limited to, the negligent acts of the owner and tenant and their guests or other occupants of the unit for damage to the general and limited common elements and other units and the personal property of others located therein.

Section 8. Review of Insurance Policies. At least annually, the board of directors shall review all insurance carried by the association of unit owners, which review shall include a consultation with a representative of the insurance carrier writing the master policy.

**ARTICLE IX
DAMAGE AND DESTRUCTION**

Section 1. Insurance Proceeds Sufficient to Cover Loss. In case of fire, casualty, or any other damage and destruction, the insurance proceeds of the master policy, if sufficient to reconstruct the buildings damaged or destroyed, shall be applied to such reconstruction.

Section 2. Insurance Proceeds Insufficient to Cover Loss. If the insurance proceeds are insufficient to reconstruct the damaged or destroyed buildings, the damage to or destruction of the buildings shall be promptly repaired and restored by the manager or the board of directors, using the proceeds of insurance, if any, on the buildings for that purpose and all the unit owners shall be liable for assessment for any deficiency for the reconstruction, the deficiency to take into consideration as the owner's contribution any individual policy insurance proceeds provided by such owner; provided, however, that if seventy-five percent (75%) or more in value of all the buildings are destroyed or substantially damaged and if the owners of at least sixty percent (60%) of the units so vote, and on the approval of holders of at least fifty-one percent (51%) of the mortgages on units in the condominium, the manager, or board of directors shall record with the county recorder a notice setting forth such facts, and on the recording of such notice:

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

(b) The respective interest of each unit owner in the property shall be determined by the provisions of ORS 100.610 that are in effect on the date the condominium declaration is recorded.

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

(d) The condominium shall be subject to an action for partition at the suit of any owner. If a decree of partition orders the sale of the condominium property, the net proceeds of sale, together with the net proceeds of the policies of insurance on the condominium, if any, shall be considered as one fund and shall be divided among all the owners in proportion to their respective undivided interests, after first paying, out of the respective shares of the owners, to the extent such share is sufficient for

the purpose, all liens on the undivided interest in the project owned by each owner.

Section 3. Architectural Changes After Damage or Destruction. Reconstruction of the damaged or destroyed building as used in this article means restoring the buildings to substantially the same condition in which they existed before the fire, casualty, or disaster and shall be performed substantially in accordance with the declaration and the original plans and specifications unless other action is approved by the holders of at least 51% of the mortgages on units in the condominium. Such reconstruction shall be accomplished under the direction of the manager or the board of directors. Notwithstanding all other provisions hereof, the owners may, by an affirmative vote of sufficient owners to amend these bylaws, cause an amendment to be made to the condominium documents so as to facilitate architectural changes that the owners affected thereby and the association deem desirable if, and only if, the partial or total destruction of the condominium, or any buildings thereof, by fire, casualty, or any other disaster is so great as to require the substantial reconstruction of the whole of the condominium, or the buildings, and on approval by the holders of at least 51% of the mortgagees in the condominium; provided, however, that any such amendment of such condominium documents shall be valid only on (1) compliance with all applicable provisions of the Oregon Condominium Act; (2) approval by the Oregon Real Estate Commissioner; (3) recording thereof with the recording officer of Multnomah County; and (4) recording with that recording officer of the approval thereof of each mortgagee and each other lienholder of record having a lien against any part of the project or building affected by such amendment.

Section 4. Reallocation of Percentage Interest. In the event of a partial destruction of the condominium buildings or units therein, the unit owners may not reallocate percentage interest in the common elements without the prior approval of the mortgagees of all the remaining units, whether existing in whole or in part. Any such reallocation shall also comply with the Oregon Condominium Act and other provisions of the declaration, any applicable supplemental condominium declaration and bylaws.

ARTICLE X CONDEMNATION

The board of directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain and to sue or defend in any litigation involving such bodies or persons with respect to the common elements of the condominium and shall assist any unit owner whose unit or a part thereof is the subject of any condemnation or eminent domain proceeding; provided, however, that nothing in this or any document or agreement relating to the condominium shall be

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JUNE 25, 1998

construed to give a unit owner or any party priority over the rights of the first mortgagees of any condominium units in the case of a distribution to the unit owner of any such condemnation awards for losses to or a taking of a unit and/or the common elements. In the event of a taking or acquisition of part or all of the common elements by a condemning authority, the award or proceeds of settlement shall be payable to the association, or any trustee, for the use and benefit of the unit owners and their mortgage holders as their interest may appear. The board of directors shall distribute the proceeds of any such award or settlement on a reasonable and equitable basis among the unit owners.

**ARTICLE XI
AMENDMENTS TO BYLAWS**

These bylaws may be amended by the owners holding a majority of the total voting rights allocated to the units in a duly constituted meeting or ballot meeting called for such purpose, and no amendment shall take effect unless approved by owners holding a majority of the voting rights as otherwise set forth in the declaration and any supplemental condominium declaration. Any amendments adopted hereby shall be reduced to writing, certified by the chairman and secretary of the association to be the amendment adopted by the association, and the certified amendment shall be recorded in the Deed Records of Multnomah County, Oregon; provided, however, that no amendment of these bylaws reducing or eliminating the right of any first mortgagee shall be made without the prior written consent of the first mortgagee, and provided further that no amendment of these bylaws may be made without the consent of Declarant as long as Declarant owns any unit in the condominium, but no such consent shall be required after conveyance to owners other than Declarant of seventy-five percent (75%) of the units of the condominium or three (3) years after the first conveyance of a unit in the condominium, whichever is earlier. ANY AMENDMENTS TO THESE BYLAWS MADE WITHIN FIVE YEARS OF THE RECORDING DATE HEREOF MUST BE APPROVED BY THE OREGON REAL ESTATE COMMISSIONER PRIOR TO RECORDING, IF REQUIRED UNDER THE OREGON CONDOMINIUM ACT.

**ARTICLE XII
RECORDS AND AUDITS**

Section 1. General Records. The board of directors and the managing agent or manager, if any, shall keep detailed records of the actions of the board of directors and the managing agent or manager, minutes of the meetings of the board of directors and minutes of the meetings of the association. The board of directors shall maintain a list of owners entitled to vote at meetings of the association and a list of all mortgagees of units.

Section 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. The records and the vouchers authorizing the payments shall be available for examination by the unit owners and mortgagees at convenient hours on weekdays.

Section 3. Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each unit. The account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which the assessment comes due, the amounts paid on the account, and the balance due on the assessments.

Section 4. Payment of Common Expenses. The board of directors shall authorize the treasurer, the management agent, or another specified party to pay all legitimate expenses of the association. The payments shall be made pursuant to the payment system instituted by the board of directors as described in Article IV, section 3(d), of these bylaws.

Section 5. Reports and Audits. The board of directors shall prepare or cause to be prepared an annual report of the receipts and expenditures of the association and a balance sheet and income and expense statement setting forth the financial condition of the association as at the end of each year. The report shall be prepared according to generally accepted accounting procedures and shall be distributed to all unit owners and to all mortgagees of units within 90 days after the end of each fiscal year. At any time any owner or mortgagee may, at his or her own expense, cause an audit or inspection to be made of the books and records of the association.

Section 6. Notice of Sale, Mortgage, Rental, or Lease. Immediately upon the sale, mortgage, rental, or lease of any unit, the unit owner shall promptly inform the secretary or manager of the name and address of such vendee, mortgagee, lessee, or tenant.

Section 7. Annual Report. The board of directors shall cause an annual report, including any amendments, to be filed with the Oregon Real Estate Agency pursuant to ORS 100.250.

ARTICLE XIII COMPLIANCE

These bylaws are intended to comply with the provisions of the Oregon Condominium Act, which are incorporated herein and to supplement the provision in the condominium declaration. In case any of the provisions here conflict with the provisions of the

statutes, the statutory provisions shall apply. In case of any conflict between the provisions in these bylaws and the declaration, the provisions in the declaration shall apply.

**ARTICLE XIV
INDEMNIFICATION OF DIRECTORS,
OFFICERS, EMPLOYEES, AND AGENTS**

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

**ARTICLE XV
ASSESSMENT COLLECTION COSTS;
SUITS AND ACTIONS**

Whether or not suit or action is commenced, unit owners shall be obligated to pay reasonable fees and costs including, but not limited to, attorney fees incurred in connection with efforts to

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collect delinquent and unpaid assessments and enforcement of the declaration, bylaws, or rules and regulations of the association. In addition to the assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines, and interest imposed pursuant to ORS 100.405(4)(i)-(k).

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

ARTICLE XVI MISCELLANEOUS

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

Section 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 that may occur.

Section 3. Invalidity; Number; Captions. The invalidity of any part of these bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these bylaws. As used here, 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.

Section 4. Arbitration. Any dispute, controversy or claim under relating to any matter governed by these bylaws or between an owner and the association, other than matters pertaining to injunctive relief (including, without limitation, temporary restraining orders, preliminary injunctions and permanent

injunctions ("Excluded Matters"), shall be submitted to binding arbitration under the rules of then prevailing of the American Arbitration Association ("AAA") within fourteen (14) days after either party delivers written notice to the other party of such party's intention to commence arbitration. Judgement upon any award made in such arbitration may be entered and enforced in any court of competent jurisdiction. Costs of arbitration shall be recoverable by the prevailing party or in such proportions as the arbitrator shall determine. All expedited procedures of the AAA in effect at the time of an arbitration shall be utilized by the parties and the AAA.

It is hereby certified that these bylaws have been adopted by Sherlock House, Declarant of Sherlock House Condominiums, and will be recorded in the Deed Records of Multnomah County, together with the condominium declaration for the condominium, after the declaration and bylaws are approved by the assessor of that county.

DATED: _____, 1998.

Gary Whitehill-Baziuk
GARY WHITEHILL-BAZIUK

Gina Whitehill-Baziuk
GINA WHITEHILL-BAZIUK

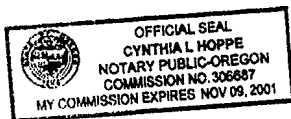
Robert Spitzer
ROBERT SPITZER

Stanley Zak
STANLEY ZAK

Katherine Zak
KATHERINE ZAK

STATE OF OREGON)
County of Multnomah) ss. June 8, 1997

Personally appeared the above-named Gary Whitehill-Baziuk and acknowledged the foregoing instrument to be his voluntary act and deed.

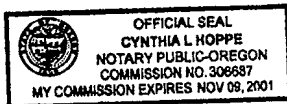


Cynthia L. Hoppe
Signature of Notarial Officer

My Commission Expires: 11/9/01

STATE OF OREGON)
County of Multnomah) ss. June 18, 1997

Personally appeared the above-named Gina Whitehill-Baziuk and acknowledged the foregoing instrument to be her voluntary act and deed.



Cynthia L. Hoppe
Signature of Notarial Officer

My Commission Expires: 11/9/01

STATE OF OREGON)
County of Multnomah) ss. June 8, 1997

Personally appeared the above-named Robert Spitzer and acknowledged the foregoing instrument to be his voluntary act and deed.

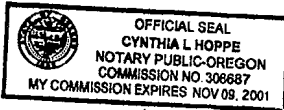


Cynthia L. Hoppe
Signature of Notarial Officer

My Commission Expires: 11/9/01

STATE OF OREGON)
County of Multnomah) ss. June 15, 1997

Personally appeared the above-named Stanley Zak and acknowledged the foregoing instrument to be his voluntary act and deed.



Cynthia L. Hoppe
Signature of Notarial Officer

My Commission Expires: 11/9/01

STATE OF OREGON)
County of Multnomah) ss. June 15, 1997

Personally appeared the above-named Katherine Zak and acknowledged the foregoing instrument to be her voluntary act and deed.



Cynthia L. Hoppe
Signature of Notarial Officer

My Commission Expires: 11/9/01

After Recording Return to:
Jonathan V. Barg
Attorney at Law
One SW Columbia, Suite 1880
Portland, OR 97258

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



103.00

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**CONDOMINIUM DECLARATION
FOR
SHERLOCK HOUSE CONDOMINIUMS**

This declaration submits to the provisions, restrictions, and limitations of the Oregon Condominium Act, land hereinafter described and all improvements now existing or to be constructed on such property, to be known as SHERLOCK HOUSE CONDOMINIUMS.

Gary Whitehill-Baziuk, Gina Whitehill-Baziuk, Robert Spitzer, Stanley Zak, and Katherine Zak (individually and collectively, "Declarant"), own in fee simple the property described below, and desire to submit that property to the condominium form of ownership, to be converted, handled, and used in the manner provided by the Oregon Condominium Act.

DECLARATION

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

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

"Condominium" means the Sherlock House Condominiums, including all land, buildings, and appurtenant rights and easements.

"Mortgage," "mortgagee," and "mortgagor" mean, respectively, a recorded first mortgage, first trust deed, or first contract of sale which creates a first lien against a unit, and the holder, beneficiary, or vendor of such a mortgage, trust deed, or contract of sale, but only when such holder, beneficiary, or vendor notifies the association in writing of the existence of such mortgage and

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gives the current name and mailing address of such holder.

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

2. **LAND DESCRIPTION.** The land hereby being submitted to the Oregon Condominium Act is located in the County of Multnomah, State of Oregon, and is more particularly described on Exhibit A.

3. **NAME AND UNIT DESCRIPTION.**

3.1 **Name.** The name by which the property submitted hereunder and subsequently annexed shall be known is Sherlock House Condominiums.

3.2 **Boundaries of Units.** Each unit shall be bounded by the interior surfaces of its perimeter walls, floors, ceilings, and trim. The units shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of its finished surfaces and the exterior surfaces so described. All other portions of the walls, floors, or ceilings shall be a part of the common elements. In addition, each unit shall include the following (except as otherwise indicated):

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

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

(c) Unit number 534 and unit number 536 each include the portions of the third (3rd) floor of the condominium identified on the plat as being included within such unit (the "attic spaces"). The attic spaces are not in a condition which will allow habitation of such areas on date of this declaration. **AN ATTIC SPACE MAY NOT BE USED FOR HABITATION PURPOSES UNTIL SUCH TIME AS THE OWNER OF THE CORRESPONDING UNIT IMPROVES SUCH AREA IN ACCORDANCE WITH BUILDING CODES AND REGULATIONS AND ALL OTHER APPLICABLE LAW. DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE FEASIBILITY OF CREATING HABITABLE SPACES IN THE ATTIC SPACES.**

(d) The interior spaces within the stairway areas providing access to unit number 534 and unit number 536 from the front (west)

side of the building shall be part of each unit to which they pertain.

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

3.3 Building Description and Unit Designation. The land submitted by this declaration has one (1) building thereon in which four (4) units are located. The building has two (2) stories and a basement. Unit number 532 and unit number 538 are one (1) story units, located on the first floor of the building. Unit number 534 and unit number 536 each include spaces on the second floor of the building and portions of the attic, although the attic spaces are not habitable on the date of this declaration, as set forth in section 3.2(c). The building consists of wood frame construction on concrete foundations with wood siding on the exterior walls and a composition shingle roof. Each unit has two (2) bedrooms and one (1) bathroom. A parking lot is situated on the south portion of the condominium. The spaces in the parking lot are available for the use of the occupants of units on a first-come, first-served basis, provided that the association shall have the authority to assign spaces to units or otherwise regulate use of the parking lot on a fair and equitable basis.

The approximate square footage of each unit is set forth below:

<u>UNIT NUMBER</u>	<u>APPROXIMATE SQUARE FOOTAGE</u>
532	1271
534	1311 (unit has an additional 775 square feet of attic space)
536	1311 (unit has an additional 775 feet of attic space)
538	1271

Each unit shall have a twenty-five percent (25%) undivided interest in the common elements.

4. GENERAL COMMON ELEMENTS.

4.1 Definition. The general common elements consist of all portions of the condominium not part of a unit or a limited common element, including, but not limited to the following:

- (a) The land;
- (b) The foundations, columns, girders, beams, supports, bearing walls, main walls, roofs, halls, corridors, stairs, entrances, and exits of the building, except as may be expressly designated in this declaration as part of a unit or a limited common element;
- (c) The basement of the building (including the portions of the basement used on the date of this declaration for storage purposes and for laundry facilities. Declarant has not provided any representations or warranties to any unit owner regarding the availability of any portion of the basement for storage or of the suitability of any portion of the basement of the building for storage under applicable laws, codes and regulations;
- (d) Installations of central services, such as power, light, cold water, and waste disposal, up to the outlets within any units;
- (e) The ducts, and, in general, all apparatus and installations existing for common use;
- (f) The second-floor balcony on the east side of the building;
- (g) The portion of the interior staircases providing access from the basement to the second floor of the building, as indicated on the plat;
- (h) All laundry areas, hot water heaters and furnaces located in the basement, provided that the board of directors of the association may assign one such laundry area to each unit;
- (i) All other elements of any building necessary or convenient to its existence, maintenance, and safety, or normally in common use.

4.2 Maintenance, Repair, and Replacement; Liability for Common Expense.

- (a) Except as otherwise specifically provided in this declaration, the cost of maintenance, repair, and replacement of the general common elements shall be a common expense, and the performance of such work shall be the responsibility of the

association, except that any damage caused by the negligence or intentional act of an owner, his or her invitee, guest, or servant shall be repaired by the association at such owner's sole cost and expense. Although repair, maintenance, and replacement of door and door frames relating to units, windows, and window frames are the responsibility of individual owners, exterior painting shall be the responsibility of the association. The replacement of light bulbs in each of the light fixtures above the porch on the west side of the building and any other exterior light fixtures, and the repair and maintenance of such fixtures, shall be the responsibility of the unit owner whose unit includes the light switch for such fixture. Common expenses shall be assessed and apportioned among the owners as set forth in section 9.6 below.

(b) The maintenance and repair of each laundry area in the basement, including outlets of utility services lines, shall be performed by the owner of the unit to such which laundry area has been assigned by the board of directors of the association, at such owner's expense. Each laundry area shall be maintained in broom clean condition, free of debris and litter. Such laundry areas shall be general common elements.

(c) The four (4) hot water heaters in the basement and the four (4) furnaces in the basement on the date of this Declaration, including the utility lines servicing such appliances, shall be operated, maintained and repaired by, and at the expense of, the owner of the unit which each such item serves. Notwithstanding the above, the hot water heaters and furnaces shall be general common elements. A hot water heater or furnace may be replaced at any time by, and at the expense of, any such owner.

5. **LIMITED COMMON ELEMENTS.** The following shall constitute limited common elements, the use of which shall be restricted to the units to which they pertain:

5.1 Definitions.

(a) The second-floor balcony on the west side of the building shall be a limited common element. Approximately one-half (1/2) of such balcony shall appertain to unit number 534 and approximately one-half (1/2) of the balcony shall appertain to unit number 536, as more specifically indicated on the plat.

(b) The wood deck area located and adjacent to the back door of unit number 532 and the wood deck and yard area located adjacent to unit number 538 shall be limited common elements which shall appertain to the unit to which such area corresponds, as now specifically indicated on the plat. The wood fence separating the foregoing limited common elements shall be a limited common element.

(c) Portions of the front porch, adjacent to the unit number 532 and unit number 538 shall be limited common elements appertaining to such units, as more specifically described in the plat.

(d) The portion of the interior staircase providing access from the second floor of the building to the attic space which is part of unit 534 shall be a limited common element appertaining to such unit, as indicated on the plat; the portion of the interior staircase providing access from the second floor of the building to the attic space which is part of unit 536 shall be a limited common element appertaining to such unit, as indicated on the plat.

5.2 Maintenance, Repair, and Replacement of Limited Common Elements.

(a) Except as otherwise specifically provided in this declaration, the cost of maintenance, repair, and replacement of limited common elements shall be a common expense, and the performance of such work shall be the responsibility of the association, except that any damage caused by the negligence or intentional act of an owner, his or her invitee, guest, or servant shall be repaired by the association at such owner's sole cost and expense. Additionally, the replacement of any light bulbs in light fixtures which are part of, or situated immediately above, a limited common element shall be the responsibility of the unit owner(s) who have the right to use such limited common element.

Common expenses shall be assessed and apportioned among the owners as set forth in section 9.6 below.

(b) ALTHOUGH THE PORTIONS OF THE INTERIOR STAIRS IN THE BUILDING PROVIDING ACCESS FROM THE SECOND FLOOR OF THE BUILDING TO THE ATTIC SPACES CONSTITUTE LIMITED COMMON ELEMENTS, THE OWNERS OF UNIT NUMBER 534 AND UNIT NUMBER 536 HAVE THE RIGHT TO MAKE COSMETIC MODIFICATIONS OF THE PORTIONS OF THE STAIRS AND STAIRWELLS BETWEEN THE SECOND AND THIRD FLOOR (I. E., PAINTING, INSTALLATION OF CARPET) AT THEIR EXPENSE, SUBJECT TO SUCH REASONABLE TERMS AND CONDITIONS AS MAY BE IMPOSED BY THE BOARD OF DIRECTORS. ANY MODIFICATIONS OF SUCH STAIRS OR STAIRWELLS NECESSARY TO COMPLY WITH BUILDING CODE REQUIREMENTS IN CONNECTION WITH THE RENOVATION OF THE ATTIC SPACES SHALL BE MADE BY THE ASSOCIATION, PROVIDED THAT (i) THE ASSOCIATION APPROVES SUCH MODIFICATIONS, AND (ii) THE ENTIRE COST OF SUCH WORK SHALL BE PAID BY THE OWNER OF THE UNIT CORRESPONDING TO SUCH STAIRS AND STAIRWELLS. NO SUCH WORK SHALL BE COMMENCED UNTIL THE ANTICIPATED MODIFICATION HAS BEEN PAID BY THE OWNER TO THE ASSOCIATION.

5.3. Deck and Yard Areas. The wood decks and yard area appurtenant to unit number 532 and the wood deck appurtenant to unit number 538 shall be maintained in broom clean condition, free of debris and litter, by and at the expense of the owner or occupant of the unit to which such decks and yard area is allocated. Additionally, all other maintenance, repair and replacement costs with respect to the decks shall be paid by the unit owner to which the deck is appurtenant, provided that if the cost arises from damage covered by insurance maintained by the association such cost shall be paid by the association to the extent of available insurance proceeds.

6. VOTING. The owner or co-owners of each unit shall be entitled to one (1) vote per unit. "Majority" or "majority of unit owners" shall mean the owners of more than fifty percent (50%) of the voting rights allocated to the units by the declaration. The calling and conducting of meetings of the association of unit owners and the exercise of voting rights shall be controlled by Articles II and III of the bylaws.

7. USE OF PROPERTY.

7.1 General. Each unit is to be used for residential purposes only, provided that use of the attic spaces shall be limited as set forth in Section 3.2(c). An owner of a unit may use the unit for a "home office", provided clients, customers and employees do not regularly visit the "home office." The common elements shall be used for the furnishing of services and facilities for the enjoyment of the unit owners. Additional restrictions and regulations are set forth in the bylaws and rules or regulations adopted pursuant to the provisions of the bylaws.

7.2 Rules and Regulations Promulgated by the Association. The board of directors shall have the authority from time to time to promulgate such rules and regulations as the board may deem in the best interest of the association. No person shall use the common elements or any part thereof in any manner contrary to or inconsistent with such rules and regulations. Without in any manner intending to limit the generality of the foregoing, the board of directors shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the common elements to the members of the association and their respective families, guests, invitees, and servants.

8. CONTRACTS AND LEASES. All contracts or leases (including any management contract) that are entered into prior to the turnover meeting shall be terminable without penalty by the association or the board of directors upon not more than thirty (30) days' written notice to the other party by the association given not later than sixty (60) days after the turnover meeting;

provided, however, any such contracting or leasing party may request the association to affirm firm the continuation of any such agreement for the balance of its stated term. Affirmation by the association after transfer of control shall extinguish all termination rights of the association under this section.

9. BYLAWS, ASSOCIATION, MANAGEMENT.

9.1 Adoption of Bylaws. On behalf of the association, Declarant hereby adopts the bylaws attached hereto as Exhibit B to govern the administration of the condominium. The bylaws shall be effective upon the execution and recording of this declaration.

9.2 Association of Unit Owners; Membership. Each owner of a unit in the condominium shall be a member of the association, and membership therein shall be limited to unit owners only. The association of unit owners, which shall be organized upon the recording of the declaration and bylaws, shall serve as a means through which the unit owners may take action with regard to the administration, management, and operation of the condominium. The association of unit owners shall be an Oregon nonprofit corporation.

9.3 Management; Board of Directors. The affairs of the association shall be governed by a board of directors as provided in the bylaws. The board of directors shall elect officers consisting of a chairperson, secretary, and treasurer. Pursuant to the provisions of the bylaws and the Oregon Condominium Act, the board of directors may adopt administrative rules and regulations governing details of the operation, maintenance, and use of the condominium property. The board of directors may contract with a professional manager or management firm to manage the affairs of the association.

9.4 Interim Board and Officers. Declarant has reserved control over the administration of the association by reserving the right in the bylaws to appoint an interim board of directors to manage the condominium until the turnover meeting. The turnover meeting shall be held within ninety (90) days of the earlier of three (3) years from the date of conveyance of the first unit to a person other than Declarant, or conveyance to persons other than Declarant of seventy-five percent (75%) of the total number of units which Declarant may annex to the condominium. The members of the interim board shall also serve as the interim chairperson, secretary, and treasurer.

9.5 Powers and Duties of the Association. The association and the board of directors shall have the powers and duties granted to them by this declaration, any applicable supplemental condominium declaration, the bylaws, and ORS 100.405(4), together

with other provisions of the Oregon Condominium Act.

9.6 Covenant to Pay Assessments; Liability for Common Expense. Each owner hereby covenants to pay to the association annual assessments for common expenses as more fully provided in the bylaws. No owner may avoid liability for assessments by abandonment of his or her unit or nonuse of the common elements. Except as otherwise provided in this declaration or the bylaws, each unit and the owner thereof will be liable for the common expense in the same percentage as the percentage ownership in the common elements allocated to such unit.

9.7 Delegation. Nothing in this declaration shall be construed to prohibit the association or the board of directors from delegating to persons, firms, or corporations of its choice the performance of such duties as may be imposed upon the association or the board of directors by this declaration, the bylaws, association rules or regulations, or applicable law.

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

11. Mortgagees. In the event of a conflict between this section 11 and other provisions of this declaration or any supplemental condominium declaration, the provisions of this section 11 will prevail. The terms "mortgage," "mortgagor," and "mortgagee" are defined in section 1 of this declaration.

11.1 Notice of Action. Upon written request to the association identifying the name and address of the mortgagee, and the unit number or address, any mortgagee will be entitled to timely notice of:

(a) Any condemnation loss or any casualty loss that affects material portion of the condominium or any unit on which there is mortgage held, insured, or guaranteed by such mortgagee;

(b) Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to a mortgage held, insured, or guaranteed by such mortgagee, which remains uncured for a period of sixty (60) days;

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

(d) Any proposed action that would require the consent of a

specified portion of mortgages as set forth in this section 11.

11.2 Subordination of Association Lien to Mortgage/Discharge of Lien upon Foreclosure. The lien of the association shall be subordinate to any first mortgage. Any mortgagee that comes into possession of the unit pursuant to the remedies provided in the mortgage, by foreclosure of the mortgage, or by deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit that accrue prior to the time such mortgagee comes into possession of the unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units, including the mortgaged unit).

11.3 Professional Management. Upon written request of the mortgagees holding at least fifty-one percent (51%) of the mortgages on units in the condominium, the board of directors shall employ a professional manager to manage the affairs of the association. Any agreement for professional management shall provide that the management contract may be terminated for cause on thirty (30) days' written notice. After such mortgagees' request, the association may not terminate professional management and assume self-management of the condominium without the prior written approval of the mortgagees holding fifty-one percent (51%) of the mortgages on units in the condominium. Additionally, if professional management has previously been required by any mortgagee, any such decision to establish self-management shall require prior consent of the owners of units to which sixty-seven percent (67%) of the votes in the association are allocated.

11.4 Consent of Mortgagees to Change Percentage Ownership in Common Elements. The unit owners may not reallocate the percentage interest in the common elements attributable to any unit without prior approval of mortgagees holding fifty-one percent (51%) of the mortgages on units in respect to which the percentage ownership is proposed to be altered. Nothing in this section 11.4 shall be construed to give the owners, the association, or the board of directors any specific authority to alter such percentage ownership, and if any attempt is made to do so, full compliance

shall be made with the declaration, any applicable supplemental condominium declaration, the bylaws, and the Oregon Condominium Act.

11.5 Consent of Mortgagees Recruited to Terminate Project. Except with respect to termination of the condominium as a result of destruction, damage, or condemnation, any termination of the condominium shall require the approval of mortgagees holding fifty-

one percent (51%) of the mortgages on units in the condominium. Additionally, any such terminations shall be carried out by the owners pursuant to provisions of the declaration, any applicable supplemental condominium declaration, bylaws, and the Oregon Condominium Act, and only after vote of the owners as provided therein.

11.6 Limited Right of Amendment. Except upon the approval of mortgagees who hold fifty-one percent (51%) of the mortgages on units in the condominium, no amendments may be made to the declaration or bylaws which add to or amend any material provision of the declaration or bylaws which establish, provide for, govern, or regulate any of the following:

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

The provisions of this paragraph are intended only to be a limitation on the right of the unit owners, board of directors, and association to amend the declaration and bylaws, and are not

intended to give any such parties any specific rights to effect any amendments. Any such amendments to the declaration or bylaws shall be made only upon full compliance with the provisions of the declaration and bylaws of the condominium and the Oregon Condominium Act relating to the procedure and percentage of votes required for such amendment. An addition or amendment to the declaration or bylaws shall not be considered material so as to require the consent or approval of mortgagees, if it is for the purpose of correcting technical errors or if it is for clarification only.

11.7 Request for Approval of Mortgagees. Any mortgagee who receives a written request to approve additions or amendments to the declaration or bylaws, or to any other action to be taken by the board of directors, association, or unit owners, shall be considered to have given such approval unless a negative response is delivered or posted by such mortgagee within thirty (30) days after such request is received.

11.8 Right to Examine Documents. The association shall make available to unit owners and lenders and to mortgagees current copies of the declaration, bylaws, other rules concerning the condominium, and the books, records, and financial statements of the association. The association shall have the right to impose a reasonable charge for any copies requested by owners, lenders, and mortgagees.

11.9 Right to Annual Reports. The holders of at least 51% of the mortgages on units in the condominium shall be entitled to have an audited financial statement prepared at their expense if such statement is not otherwise available. The association, its officers and directors, and manager (if any), shall cooperate with such mortgage holder and their auditors to facilitate the necessary auditing and review process. Such financial statement shall be furnished within a reasonable time following request.

11.10 Right to Receive Written Notice of Meetings. Upon request, the association of unit owners shall give all mortgagees written notice of all meetings of the association, and such mortgagees shall be permitted to designate a representative to attend all such meetings.

11.11 List of Mortgagees. The association shall maintain at all times a list of mortgagees, their names, addresses, the units and mortgagors affected, and the matters with respect to which such mortgagees have requested notice, provided that such information has been furnished to the association by the owners or their mortgagees.

12. AMENDMENTS TO DECLARATION. Except when a larger vote is

required by law, this declaration may be amended from time to time by consent or approval of the unit owners holding seventy-five percent (75%) or more of the voting rights as otherwise set forth in this declaration; provided, however that no amendment of this declaration reducing or eliminating the right of any mortgagee shall be made without the prior written consent of all such mortgagees.

12.1 Declarant's Approval Required. Declarant's prior written consent shall be required for any amendment to the declaration until the earlier of the conveyance to owners other than Declarant of seventy-five percent (75%) or more of the units in the condominium, or three (3) years after conveyance of the first unit in the condominium; provided, however, that even after such time, no amendment may limit or reduce any of Declarant's special rights, whether reserved herein or otherwise provided by law. No amendment may change the size, location percentage interest in the common elements, method of determining liability for common expenses, right to common profits, or voting power of any unit unless such amendment has been approved by the owners of the affected units and the mortgagees of such units.

12.2 Recordation. An amendment to the declaration shall be effective upon recordation in the Deed Records of Multnomah County, certified to by the chairperson and secretary of the association and approved by the county assessor and, if required by law, by the Real Estate Commissioner.

13. AUTHORITY TO GRANT EASEMENTS, RIGHTS-OF-WAY, LICENSES, AND OTHER SIMILAR INTERESTS-

13.1 General. The association shall have the authority to execute, acknowledge, deliver, and record on behalf of the unit owners, easements, rights-of-way, licenses, and other similar interests affecting the general common elements. The granting of any such interest shall first be approved by at least seventy-five (75%) of the unit owners. The instrument granting any such interest shall be executed by the chairperson and secretary of the association and acknowledged in the manner provided for acknowledgment of such instruments by such officers and shall state that such grant was approved by at least seventy-five percent (75%) of the unit owners.

13.2 Utility Easements, Dedications. Anything in this declaration to the contrary notwithstanding, Declarant shall have the right to execute, deliver, and record on behalf of the association and the unit owners such documents as may be required in order to grant easements, rights-of-way, and licenses over the common elements for the installation, maintenance, and repair of public utilities serving the condominium or adjacent property. In

order to effect the intent of this section 13.2, each unit owner, by acceptance of a deed to a unit whether or not it shall be expressed in such deed for the unit owner and his or her successors in interest, irrevocably appoints Gary Whitehill-Baziuk, or his nominee, as such owner's lawful attorney-in-fact for the purpose of executing any and all documents required or permitted to be executed hereunder. Such power of attorney shall expire upon the expiration of the Declarant's special rights under Section 14.6 below.

14. DECLARANT'S SPECIAL RIGHTS. Declarant shall have the following special rights:

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

14.2 No Capital Assessments Without Consent. Neither the association nor the board of directors shall make any assessments for new construction, acquisition, or otherwise without the prior written consent of Declarant, as long as Declarant owns one (1) or more units in the condominium. Nothing contained in this section 14.2 shall be construed as a limitation on Declarant's obligation to pay assessments for common expenses on units owned by Declarant pursuant to requirements of the Oregon Condominium Act.

14.3 Common Element Maintenance by the Association. The association shall maintain all common elements in a clean and attractive manner. Should the association fail to do so, Declarant may perform such maintenance at the expense of the association.

14.4 Other Declarant Rights. The rights reserved to Declarant in this section 14 shall in no way limit any other special declarant rights that Declarant may have, whether pursuant to the Oregon Condominium Act or otherwise. Upon the expiration of any or all special declarant rights, Declarant will have the same rights as any other owner in the condominium in respect to such ownership.

14.5 Assignment of Declarant's Rights. Declarant shall have the right to assign any and all of its rights, including without limitation Declarant's special rights as set forth in section 14 hereof, or to share such rights with one or more other persons exclusively, simultaneously, or consecutively.

14.6 Expiration of Declarant's Special Rights. Unless otherwise provided, Declarant's special rights reserved in this section 14 shall expire upon the conveyance by Declarant of the

last unit owned by Declarant or three (3) years after conveyance of

PAGE 14 - CONDOMINIUM DECLARATION FOR SHERLOCK HOUSE CONDOMINIUMS ...

JUNE 25, 1998

the first unit in the condominium, whichever is earlier.

15. GENERAL PROVISIONS.

15.1 Interpretation. The rights and obligations of all members of the association and any person dealing with the association or any of its members in respect to matters pertaining to the declaration and the bylaws shall be interpreted and governed by the laws of the State of Oregon.

15.2 Severability. Each provision of the declaration and the bylaws is independent and severable. The invalidity or partial invalidity of any section thereof shall not affect any of the remaining portions of that or any other provision of this declaration or the bylaws.

15.3 Waiver of Rights. The failure of the association, board of directors, an officer, or a unit owner to enforce any right, provision, covenant, or condition of the declaration and bylaws shall not constitute a waiver of the right of any such party to enforce such right, provision, covenant, or condition in the future.

15.4 Legal Proceedings. Failure to comply with any of the terms of the declaration, any supplemental condominium declaration, the bylaws, and any rules or regulations adopted thereunder shall be grounds for relief which may include, without intending to limit the same, an action to recover money due, damages, or a suit for injunctive relief, to foreclose a lien, or any combination thereof. Relief may be sought by the association, board of directors, an officer, a professional manager or management firm, or, if appropriate, by an aggrieved unit owner.

15.5 Costs and Attorney Fees. In any proceeding arising because of alleged default by a unit owner to comply with the terms and provisions of this declaration (as may be amended or supplemented), the bylaws (as may be amended), rules and regulations of the association, or any provisions of the Oregon Condominium Act, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorney fees as may be determined by the trial court in, any trial or by the appellate court in any appeal thereof. In addition, the association shall be entitled to recover costs and attorney fees incurred by it to collect delinquent assessments whether or not any collection or foreclosure action or suit is filed.

15.6 Compliance. Each unit owner shall comply with the declaration, any supplemental condominium declaration, and the bylaws, and with the administrative rules and regulations adopted thereunder, and with all other applicable covenants, conditions,

and restrictions of record. Failure to comply therewith shall be grounds for suit or action maintainable by the association or any unit owner in addition to other sanctions that may be provided by the bylaws or by any existing administrative rules and regulations.


15.7 Conflicting Provisions. In the event of a conflict between or among the declaration, bylaws, and any administrative rules and regulations, the provisions of the declaration shall be paramount to the bylaws and the rules and regulations, and the bylaws shall be paramount to the rules and regulations. For purposes of this section, the term "declaration" shall include all amendments and supplemental declarations, and the term "bylaws" shall include all amendments.

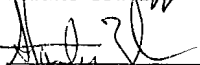
15.8 Section and Paragraph Captions. Section and paragraph captions are not a part hereof unless the context otherwise requires. In construing this declaration, it is understood that if the context so requires, the singular pronouns shall be taken to mean and include the plural, the masculine to include the feminine and neuter, and to make the provisions hereof apply equally to individuals, trusts, estates, personal representative, trustees, and corporations.


The undersigned Declarant has caused this declaration to be executed _____ 1998.


GARY WHITEHILL-BAZIUK


GINA WHITEHILL-BAZIUK

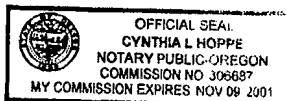

ROBERT SPITZER


STANLEY ZAK


KATHERINE ZAK

STATE OF OREGON)
County of Multnomah) ss. June 8, 1998

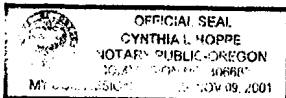
Personally appeared the above-named Gary Whitehill-Baziuk and acknowledged the foregoing instrument to be his voluntary act and deed.



Cynthia L. Hoppe
Notary Public for Oregon
My commission expires: 11/9/2001

STATE OF OREGON)
County of Multnomah) ss. June 18, 1998

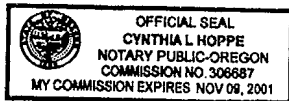
Personally appeared the above-named Gina Whitehill-Baziuk and acknowledged the foregoing instrument to be her voluntary act and deed.



Cynthia L. Hoppe
Notary Public for Oregon
My commission expires: 11/9/2001

STATE OF OREGON)
County of Multnomah) ss. June 8, 1998

Personally appeared the above-named Robert Spitzer and acknowledged the foregoing instrument to be his voluntary act and deed.



Cynthia L. Hoppe
Notary Public for Oregon
My commission expires: 11/9/2001
~~My commission expires: _____~~

JUNE 25, 1998

STATE OF OREGON)
County of Multnomah) ss.

June 15, 1998

Personally appeared the above-named Stanley Zak and acknowledged the foregoing instrument to be his voluntary act and deed.



Cynthia L. Hoppe
Notary Public for Oregon
My commission expires: 11/9/01

STATE OF OREGON)
County of Multnomah) ss.

June 15, 1998


Personally appeared the above-named Katherine Zak and acknowledged the foregoing instrument to be her voluntary act and deed.



Cynthia L. Hoppe
Notary Public for Oregon
My commission expires: 11/9/01


The foregoing Declaration is approved pursuant to ORS 100.110 on this 24th day of June, 1998 and in accordance with ORS 100.110(7), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this date.

Scott W. Taylor
REAL ESTATE COMMISSIONER

By: 
Marge Robinson

The foregoing declaration is approved pursuant to ORS 100.110
JUNE 22, 1998.

MULTNOMAH COUNTY ASSESSOR

By: 

Order No: 170939

Exhibit A

LEGAL DESCRIPTION

A portion of Block 322, with adjoining parcel, EAST PORTLAND, in the City of Portland, County of Multnomah and State of Oregon, described as follows:

Beginning at a point in the East line of SE 15th Avenue, which said point is 230 feet South of the intersection of the South line of SE Stark Street with said East line of SE 15th Avenue; running thence East, parallel with SE Stark Street, 100 feet; thence North, parallel with SE 15th Avenue, 86 feet; thence West, parallel with SE Stark Street, 100 feet to the East line of SE 15th Avenue; thence South, along the East line of SE 15th Avenue, 86 feet to the point of beginning.

JUNE 25, 1998

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

After Recording, Return To:
JONATHAN V. BARG, P.C.
One SW Columbia, Suite 1880
Portland, Oregon 97258

Total : 29.00
2001-156366 10/03/2001 09:56:51am ATTORNEY
C06 3 REC SUR DOR OLIS
15.00 3.00 10.00 1.00

FIRST AMENDMENT OF
DECLARATION AND BYLAWS OF
SHERLOCK HOUSE CONDOMINIUMS

DATED: July 20, 2001

BY: GARY WHITEHILL-BAZIUK,
GINA WHITEHILL-BAZIUK and
ROBERT SPITZER (collectively, the "Successor Declarant")

RECITALS:

A. The Declaration of Sherlock House Condominiums (the "Declaration") and Bylaws of Sherlock House Condominiums (the "Bylaws") were recorded on June 25, 1998 in the land records of Multnomah County as Instrument Numbers 98-111156 and 98-111155, respectively. The Declarant named in the Declaration and Bylaws is Gary Whitehill-Baziuk, Gina Whitehill-Baziuk, Robert P. Spitzer ("Spitzer"), Stanley Zak and Katherine Zak (collectively, the "Zaks") (the "Original Declarant").

B. As of July 10, 2001, the Successor Declarant owns all units of the Sherlock House Condominiums (the "Condominium") and all other portions of the property which comprises the Condominium, which property legally described on the attached Exhibit A.

C. Pursuant to a Quitclaim Deed recorded on September 9, 1998 as Instrument No. 98-161390, the Zaks' interest in the Condominium was transferred to Spitzer. As of the date of this Amendment, the Zaks have no further interest in the Condominium.

D. The parties desire to amend the Declaration and Bylaws to provide that the declarant with respect to the Condominium is the Successor Declarant.

PAGE 1 - FIRST AMENDMENT OF DECLARATION AND BYLAWS OF SHERLOCK HOUSE
CONDOMINIUMS

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AMENDMENTS:

The Declaration and Bylaws are amended as follows:

1. Declarant. The Declaration and Bylaws of the Sherlock House Condominiums are amended to reflect that the declarant is the Successor Declarant.

2. Declaration and Bylaws in Full Force and Effect. Except as amended by this Amendment, the Declaration and Bylaws have not been amended and remain in full force and effect.

SUCCESSOR DECLARANT:



GARY WHITEHILL-BAZIUK



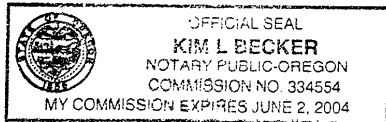
GINA WHITEHILL-BAZIUK




ROBERT P. SPITZER

STATE OF OREGON)
) ss.
County of Multnomah)

On this 20 day of July, 2001, personally appeared before me Gary Whitehill-Baziuk, being first duly sworn did say that such party voluntarily signed this instrument.





Notary Public for Oregon
My Commission Expires: 6/2/04

STATE OF OREGON)
) ss.
County of Multnomah)

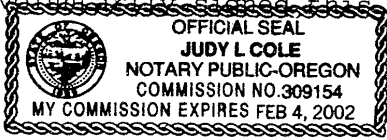
On this 20 day of July, 2001, personally appeared before me Gina Whitehill-Baziuk, being first duly sworn did say that such party voluntarily signed this instrument.



Kim L. Becker
Notary Public for Oregon
My Commission Expires: 6/2/04

STATE OF OREGON)
) ss.
County of Multnomah)

On this 20 day of July, 2001, personally appeared before me Robert P. Spitzer, being first duly sworn did say that such party voluntarily signed this instrument.



Judy L. Cole
Notary Public for Oregon
My Commission Expires: 2-4-02

The foregoing Amendment of Declaration and Bylaws is approved pursuant to ORS 100.110 this 26 day of September, 2001, and, in accordance with ORS 100.110(7), this approval shall automatically expire if this Amendment is not recorded within two years from this date.

SCOTT W. TAYLOR,
Real Estate Commissioner

By: [Signature]
Brian DeMarco

The foregoing Declaration is approved pursuant to ORS 100.110 on October 3, 2001.

COUNTY ASSESSOR
By: [Signature]