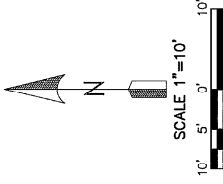
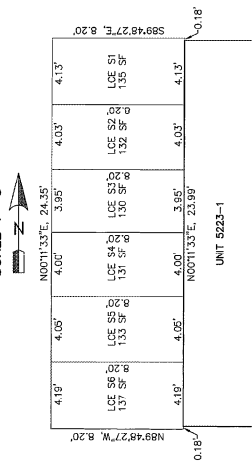


LOWER LEVEL CONDOMINIUMS

STORAGE UNIT DETAIL
SCALE 1"=5'

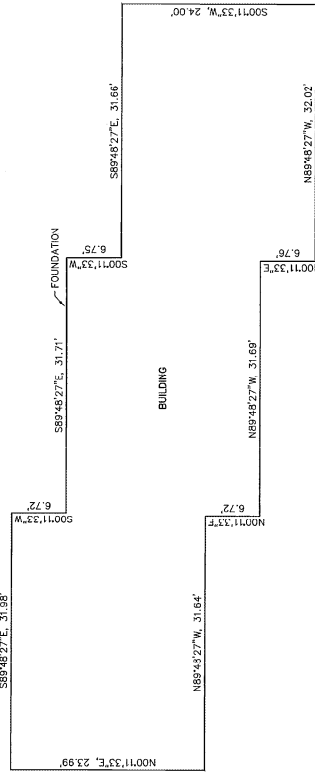


TERRACE VIEW CONDOMINIUM

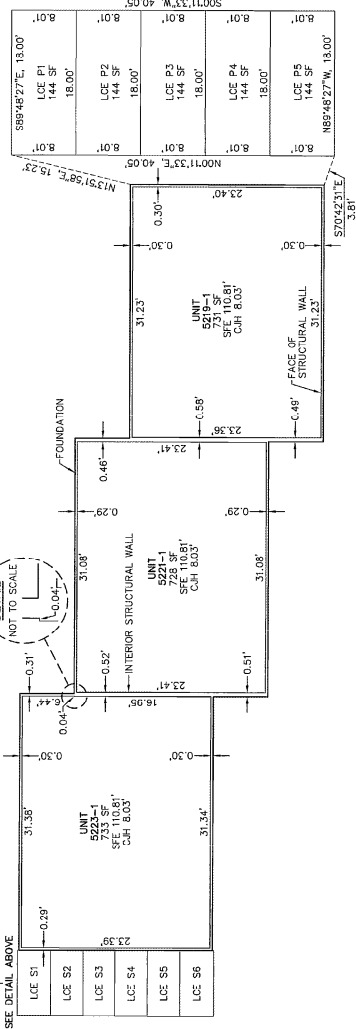
A REPLAT OF LOT 3 AND PART OF LOT 6, BLOCK 15, "TERWILLIGER HOMESTEAD", IN THE NW 1/4 OF SECTION 15, T1S, R1E, W1M IN THE CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON SURVEYED OCTOBER 18, 2005

INITIAL POINT
NE CORNER
BOUNDARY

LOWER LEVEL - FOUNDATION



LOWER LEVEL - BOUNDARIES AND LOCS, WALL DIMENSIONS AND CEILING HEIGHTS



NOTES

- 1) ALL LINES WITHIN FOUNDATION UNIT PERIMETER AND STORAGE AREA ARE PARALLEL OR PERPENDICULAR TO EACH OTHER UNLESS OTHERWISE NOTED.
- 2) ELEVATIONS ARE BASED ON CITY OF PORTLAND BENCH MARK #4239, A BRASS DISK IN TOP OF CURB ON THE EAST SIDE OF SW MAGADAM AVENUE, NEAR THE INTERSECTION OF SW MAGADAM AVENUE AND SW 10TH AVENUE, CORNER EASTERLY TO THE INTERSECTION OF SW MAGADAM AVE. ELEVATION 57739'.

LEGEND

- MONUMENT FOUND
- ▲ SURVEY POINT IN LOW PLASTIC CAP INSCRIBED "RA, LS 27263", SET IN SN 60983
- C.H. CEILING JOIST HEIGHT
- LCE #1 LIMITED COMMON STORAGE SPACE NUMBER
- LCE #1 LIMITED COMMON ELEMENT PARKING SPACE NUMBER
- SF SQUARE FEET
- SFE SUBFLOOR ELEVATION
- BUILDING FOUNDATION
- WALL LINE AT FACE OF STRUCTURAL WALL
- EDGE OF LCE PARKING SPACES
- EDGE OF LCE STORAGE SPACES

I CERTIFY THAT THIS TRACKING IS A TRUE AND EXACT COPY OF THE PLAT OF "TERRACE VIEW CONDOMINIUM".

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Robert Alan Johnson

OREGON
JULY 11, 1985
ROBERT ALAN JOHNSON
#2725

EXPIRES 6/30/07

JOHNSON LAND SURVEYING, INC.

10185 SW HOODVIEW DR., TIGARD, OR 97224
(503)639-7919, FAX: (503)670-8050
jsurvey@vrzozon.net

I, ROBERT ALAN JOHNSON, LS 2725, HEREBY CERTIFY THAT THIS TRACKING IS A TRUE AND EXACT COPY OF THE PLAT OF "TERRACE VIEW CONDOMINIUM".

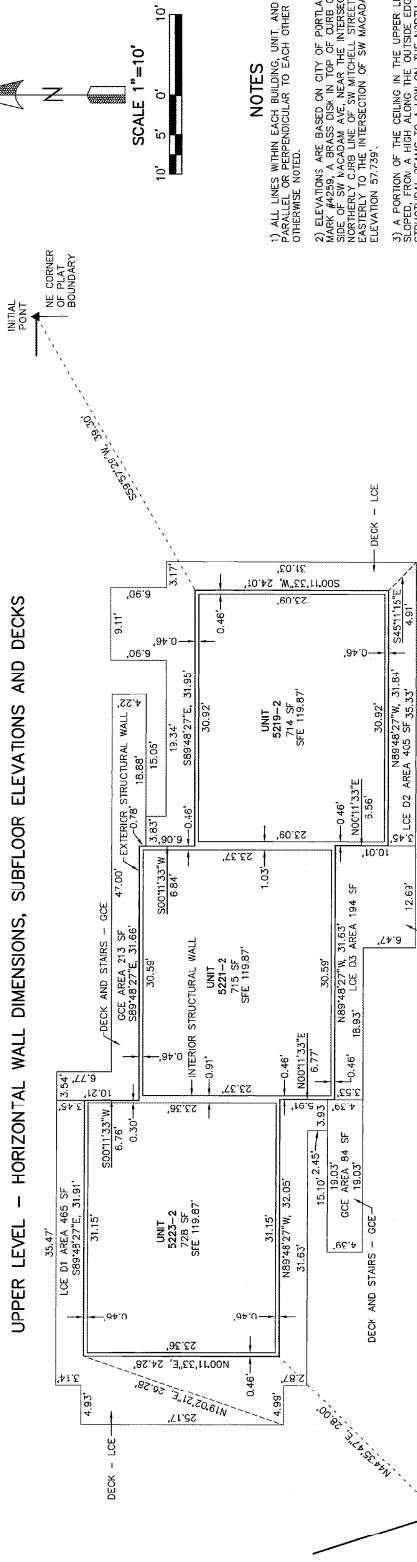
ROBERT ALAN JOHNSON, LS 2725

UPPER LEVEL CONDOMINIUMS

TERRACE VIEW CONDOMINIUM

A REPLAT OF LOT 3 AND PART OF LOT 6, BLOCK 15, "TERWILLIGER HOMESTEAD", IN THE NW 1/4 OF SECTION 15, T1S, R1E, W4M IN THE CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON SURVEYED OCTOBER 18, 2005

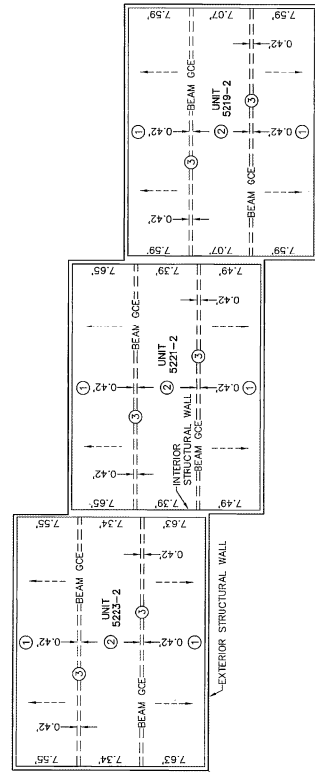
UPPER LEVEL - HORIZONTAL WALL DIMENSIONS, SUBFLOOR ELEVATIONS AND DECKS



NOTES

- 1) ALL LINES WITHIN EACH BUILDING, UNIT AND DECK ARE PARALLEL OR PERPENDICULAR TO EACH OTHER UNLESS OTHERWISE NOTED.
- 2) ELEVATIONS ARE BASED ON CITY OF PORTLAND BENCH MARK #4239, A BRASS DISK IN TOP OF CURB ON THE EAST SIDE OF SW MICHOL STREET, INTERSECTION OF SW MICHOL STREET EXTENDED NORTHERLY TO THE INTERSECTION OF SW MACADAM AVE, ELEVATION 57.739'.
- 3) A PORTION OF THE CEILING IN THE UPPER LEVEL UNITS IS SLOPED FROM HIGH ALONG THE OUTSIDE SIDES OF THE SLOPED BEAMS TO LOW ALONG THE INSIDE SIDES OF 300TH SIDES OF THE UNITS, AS DEPICTED ON THIS SHEET.

UPPER LEVEL - CEILING AND BEAM



LEGEND

- MONUMENT FOUND
- ▲ 5/8" REBAR W/YELLOW PLASTIC CAP
- LCE DT LIMITED COMMON ELEMENT DECK AREA NUMBER
- SQUARE FEET
- SFE
- EXTERIOR STRUCTURAL WALL
- WALL LINE AT FACE OF STRUCTURAL WALL
- DOWNWARD SLOPE OF CEILING
- STRUCTURAL BEAM
- EDGE OF LCE AND GCE DECK

I HEREBY CERTIFY THAT THIS IS A TRUE AND EXACT COPY OF THE PLAT OF "TERRACE VIEW CONDOMINIUM".

REGISTERED PROFESSIONAL LAND SURVEYOR
 Robert Alan Johnson
 CREATED: 10/18/05
 JUL: ROBERT ALAN JOHNSON
 #2725
 EXPIRES 6/30/07

JOHNSON LAND SURVEYING, INC.
 10185 SW HOODVIEW DR, TIGARD, OR 97224
 (503)639-7919, FAX(503)670-9050
 rbj@verizon.net

I, ROBERT ALAN JOHNSON, LS 2725, HEREBY CERTIFY THAT THIS IS A TRUE AND EXACT COPY OF THE PLAT OF "TERRACE VIEW CONDOMINIUM".
 HEWLETT-PACKARD PRODUCTION #C4844A ON HWAN WAF POLYESTER FILM
 ROBERT ALAN JOHNSON, LS 2725

Recorded in MULTNOMAH COUNTY, OREGON
C. Swick, Deputy Clerk
E41 54 ATMCS
Total : 286.00

AFTER RECORDING, RETURN TO:
Ashley S. Hohimer
Miller Nash LLP
111 S.W. Fifth Avenue, Suite 3400
Portland, Oregon 97204

2006-083907 05/08/2006 10:11:57am

**DECLARATION SUBMITTING
TERRACE VIEW CONDOMINIUM
TO CONDOMINIUM OWNERSHIP**

DC&H Holdings LLC

DECLARANT

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**DECLARATION SUBMITTING
TERRACE VIEW CONDOMINIUM
TO CONDOMINIUM OWNERSHIP**

THIS DECLARATION, pursuant to the provisions of the Oregon Condominium Act, ORS 100.005 to 100.990 (as amended from time to time, the "Act"), is made and executed this ___ day of _____, 2006, by DC&H Holdings LLC, an Oregon limited liability company ("Declarant").

A. Declarant owns the land located in the City of Portland, Multnomah County, Oregon, described in the attached Exhibit A (the "Land"), together with the improvements located on the Land (the "Improvements").

B. Declarant wishes to submit the Land and Improvements to the condominium form of ownership and use in the manner provided by the Act.

Declarant hereby declares and provides as follows:

ARTICLE 1

DEFINITIONS

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

1.1 "**Association**" means The Association an Oregon nonprofit corporation, established pursuant to Article 14 below.

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

1.3 "**Common Elements**" means the General Common Elements and the Limited Common Elements.

1.4 "**Common Expenses**" means expenses of administration, maintenance, repair, or replacement of the common elements and the variable property, including deposits in any working capital fund or reserve fund established by the Association, together with such expenses agreed upon as common by the Association in the manner provided in the Bylaws.

1.5 "**Condominium**" means the Land, all buildings, improvements, and structures thereon, and all easements, rights, and appurtenances belonging thereto, which are hereby submitted to the provisions of the Act.

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

1.7 "**Manager**" means the person or firm, if any, hired by the board of directors of the Association to be in charge of the administration of and to manage the Condominium.

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

1.9 "**Owner**" means the owner or owners of a Unit, but does not include a Mortgagee unless the Mortgagee is in possession of a Unit.

1.10 "**Plat**" means the plat of the Condominium recorded simultaneously with the recording of this Declaration.

1.11 "**Unit**" means that part of the Condominium identified in Article 4 as such.

1.12 **Terms Incorporated by Reference.** Except as otherwise provided in this Declaration, each of the terms defined in ORS 100.005 of the Act shall have the meanings set forth in such section.

ARTICLE 2

SUBMISSION OF PROPERTY TO CONDOMINIUM STATUTE

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

ARTICLE 3

NAME OF CONDOMINIUM

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

ARTICLE 4

UNITS

4.1 **General Description of Building.** The Land contains one building with two (2) aboveground floors (the "Building"). The Building is made of wood-frame construction with brick and cement board siding and a composition roof. There is no basement in the Building.

4.2 **General Description, Location, and Designation of Units.** The Condominium consists of six (6) units (each, a "Unit" and together, the "Units"). The vertical and horizontal boundaries and dimensions, designation, and location of each Unit are shown in the Plat, which is made a part of this Declaration as if fully set forth herein. The designation and approximate area of each Unit is set forth below:

<u>Unit</u>	<u>Area (sq. ft.)</u>
5223-1	733
5223-2	728
5221-1	728
5221-2	715
5219-1	731
5219-2	714

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

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

4.3.2 All outlets of utility service lines, including, but not limited to, power, light, gas, hot and cold water, heating, refrigeration, air-conditioning, and waste disposal within the boundaries of the Unit, but not any part of such lines or ducts themselves.

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

ARTICLE 5

GENERAL COMMON ELEMENTS

The general common elements consist of all portions of the Condominium not part of a Unit or a Limited Common Element (the "General Common Elements"), including but not limited to the following:

5.1 The Land, including all landscaping and cement thereon;

5.2 The foundation, columns, girders, beams, supports, bearing walls, main walls, crawl space, and roof of the Building;

5.3 The access area adjacent to the parking spaces;

5.4 The stairways located on the north and south sides of the Building that access the second-story decking;

5.5 The middle portion of the north side of the second-story deck that accesses all three of the second-story Units;

5.6 The residential signage on the exterior of the Building;

5.7 Installations of central services, such as power, light, gas, hot and cold water, heating, refrigeration, and waste disposal, up to the outlets within any Units;

5.8 The tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use; and

5.9 All other elements of the Building and the Condominium necessary or convenient to its existence, maintenance, and safety, or normally in common use, except as may be expressly designated in this Declaration as part of a Unit or a Limited Common Element.

ARTICLE 6

LIMITED COMMON ELEMENTS

The following shall constitute limited common elements (the "Limited Common Elements"), the use of which shall be restricted to the Units to which they pertain:

6.1 **Decks.** Certain portions of the second-story decking that border the upper level Units are a Limited Common Element appertaining to the following Units:

<u>Deck</u>	<u>Unit</u>
D1	5223-2
D2	5219-2
D3	5221-2

6.2 **Storage Spaces.** The storage spaces located off the west end of the ground floor of the Building are Limited Common Elements appertaining to the following Units:

<u>Storage Space</u>	<u>Unit</u>
S1	5223-1
S2	5223-2
S3	5221-1
S4	5221-2
S5	5219-1
S6	5219-2

6.3 Parking Spaces. The parking spaces located off the east end of the ground floor of the Building are Limited Common Elements appertaining to the following Units:

<u>Parking Space</u>	<u>Unit</u>
P1	5223-2
P2	5221-1
P3	5221-2
P4	5219-1
P5	5219-2

ARTICLE 7

ALLOCATION OF UNDIVIDED INTERESTS IN COMMON ELEMENTS

7.1 Allocation of Undivided Interests. Each Unit will be entitled to an undivided 1/6 interest in the Common Elements (its "Allocated Interest"). Each Unit's Allocated Interest is an equal undivided interest in the Common Elements.

7.2 Nature of Interests. Each Unit's interest in the Common Elements, both general and limited, shall be inseparable from the Unit, and any conveyance, encumbrance, judicial sale, or other transfer, voluntary or involuntary, of an undivided interest in the Common Elements shall be void unless the Unit to which that interest is allocated is also transferred.

ARTICLE 8

COMMON PROFITS AND EXPENSES, VOTING

8.1 Allocation of Common Profits. The common profits of the Condominium shall be allocated to the Owner of each Unit according to their interests set forth in Section 7.1. As used in this Declaration, "common profits" means profits arising from the General Common Elements. Except upon termination of the Condominium or as otherwise provided in the Bylaws with respect to damage, destruction, or condemnation, any such common profits shall be used solely for the purpose of maintaining, repairing, and replacing the General Common Elements or for other expenses or reserves of the Association.

8.2 Allocation of Common Expenses. The Common Expenses, including reserves for such expenses, of the Condominium shall be allocated to the Owner of each Unit as follows:

8.2.1 All expenses of operating, maintaining, repairing, or replacing any part of a Unit or a Limited Common Element appertaining exclusively to such Unit shall be paid by the Owner of such Unit.

8.2.2 All expenses of operating, maintaining, repairing, or replacing any part of the Common Elements shall be allocated to the Owners according to their interests as set forth in Section 7.1.

8.2.3 All costs of using, maintaining, repairing or replacing any utilities or utility lines or services that serve only one Unit or that lie within the boundaries of one Unit shall be paid by the Owner of such Unit.

8.2.4 Any taxes assessed against the Condominium not included in each Unit's ad valorem real property taxes and assessments shall be allocated among the Units on the basis of the relative valuation of the Units for ad valorem real property taxes.

8.3 Allocation of Voting Rights. The Owner of each Unit shall be entitled to one vote per Unit. "Majority of Unit Owners" shall mean the Owners of more than 50 percent of the voting rights allocated to the Units by this Declaration. The exercise of voting rights shall be controlled by Article 4 of the Bylaws.

ARTICLE 9

SERVICE OF PROCESS

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

ARTICLE 10

USE OF PROPERTY

10.1 Use of the Units. The Units may be used for single-family residential purposes on an ownership, rental, or lease basis, provided that all leases of Units shall be in writing and shall require prior notice to the Association and the consent of the Association as provided in the Bylaws. The Units may be used for social, recreational, and other reasonable activities normally incident to such use, including use as a "home office" or similar use, subject to certain limitations as specified in the Bylaws.

10.2 Use of the Parking Spaces. The parking spaces may be used for the parking of operable passenger motor vehicles and may not be used for parking trucks, trailers, or recreational vehicles, or for other purposes except to the extent expressly allowed by rules and regulations adopted by the board of directors. The Board may direct that any vehicle or other thing improperly parked or kept in a parking space be removed, and if it is not removed the Board may cause it to be removed at the risk and cost of the Owner thereof. No maintenance or repairs of any kind may be made to automobiles or other personal vehicles on any part of a parking space, provided that the foregoing does not prohibit any person from changing a flat tire.

10.3 Additional Restrictions on Use. Additional restrictions, limitations, and rules regarding the use of each Unit are contained in the Bylaws and any rules and regulations adopted pursuant to the Bylaws. Each Unit Owner shall be bound by each of such documents.

ARTICLE 11

MAINTENANCE OF COMMON ELEMENTS

11.1 Responsibility for Maintenance. Except as otherwise provided in this Declaration, the Association shall perform or cause to be performed the necessary work to maintain, repair, or replace any Common Elements, both general and limited, and shall carry out such duties as provided in the Bylaws. The maintenance, repair, and replacement of any part of a Unit shall be the responsibility of the Owner of the Unit.

11.2 Cost of Maintenance. All costs and expenses of operating, maintaining, repairing, or replacing a Limited Common Element appertaining to a Unit or Units shall be promptly reimbursed to the Association by the Owner of such Unit or Units as provided in Section 8.2.1.

11.3 Mortgagee's Rights Upon Failure to Maintain. If a Mortgagee of any Unit determines that the board of directors is not providing an adequate maintenance, repair, and replacement program for the Common Elements, the Mortgagee, at its option, may give a notice to the board of directors by delivering same to the registered agent, setting forth the particular defect that exists in the maintenance, repair, and replacement program. If the specified defects are not corrected within 90 days subsequent to receipt of such notice, then the Mortgagee, upon written notice to the registered agent that it is exercising its proxy rights, shall have the right to attend succeeding annual or special meetings of the Association and to cast a vote for each Unit on which it holds a Mortgage and in which a defect exists as to the maintenance and repair of the Unit on all business coming before such meeting. Such proxy rights shall continue until the defects listed on the notice are corrected.

ARTICLE 12

EASEMENTS

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

12.2 Encroachments. Each Unit has an easement over the other Units and Common Elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any

portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and Common Elements so long as the encroachments shall exist, and the rights and obligations of Owners shall not be altered in any way by the encroachment. This provision does not relieve a Unit Owner of liability in the case of willful misconduct of the Unit Owner, or relieve Declarant or any contractor, subcontractor, or materialman from any liability as a result of failure to adhere to the Plat. The encroachments described in this Section 12.2 shall not be construed to be encumbrances affecting the marketability of title to any Unit.

12.3 Granting of Easements by Association. As provided by ORS 100.405(5) and (8), the Association, upon prior approval of a Majority of Unit Owners, may grant, execute, acknowledge, deliver, and record on behalf of the Unit Owners leases in excess of two years, easements, rights-of-way, licenses, and similar interests affecting the Common Elements and consent to vacation of roadways within and adjacent to the Condominium. Any such instrument shall be executed by the chairman and secretary of the Association. No such interest may be granted with regard to a Limited Common Element unless the Owners and Mortgagees of the Units having the right to use such Limited Common Element consent to and join in the instrument granting the interest.

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

ARTICLE 13

MORTGAGEES

13.1 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:

13.1.1 Any condemnation loss or any casualty loss that affects a material portion of the Condominium or any Unit on which there is a mortgage held, insured, or guaranteed by the Mortgagee;

13.1.2 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 the Mortgagee, which remains uncured for a period of 60 days;

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

13.1.4 Any proposed action that would require the consent of a specified portion of Mortgagees as set forth in this Article 13.

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

13.3 Subordination of Association Lien to Mortgage/Discharge of Lien Upon Foreclosure. The lien of the Association shall be subordinate to any 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 the 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).

13.4 Professional Management. After the turnover meeting (as described in Section 4 of the Bylaws), upon written request of the mortgagees holding at least 51 percent 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 30 days' written notice. After the 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 51 percent 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 67 percent of the votes in the Association are allocated.

13.5 Consent of Mortgagees to Change Percentage Ownership in Common Elements. The Owners may not reallocate the percentage interest in the Common Elements attributable to any Unit without prior approval of Mortgagees holding 51 percent of the Mortgages on Units in respect to which the percentage ownership is proposed to be altered. Nothing in this Section 13.5 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 this Declaration, any applicable supplemental condominium declaration, the Bylaws, and the Act.

13.6 Consent of Mortgagees Required to Terminate Project. Except with respect to termination of the Condominium as a result of destruction, damage, or condemnation, any termination of the Condominium shall require the approval of Mortgagees holding 67 percent 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, the Bylaws, and the Act, and only after vote of the Owners as provided therein.

13.7 Limited Right of Amendment. Except upon the approval of Mortgagees who hold 51 percent of the Mortgages on Units in the Condominium, no amendments may be made to the Declaration or Bylaws that add to or amend any material provision of the Declaration or Bylaws that establish, provide for, govern, or regulate any of the following:

- 13.7.1 Voting;
- 13.7.2 Increases in assessments that raise the previously assessed amount by more than 25 percent, assessment liens, or subordination of liens;
- 13.7.3 Reductions in reserves for maintenance, repair, and replacement of the Common Elements (or Units, if applicable);
- 13.7.4 Insurance or fidelity insurance requirements;
- 13.7.5 Rights to use of the Common Elements;
- 13.7.6 Responsibility for maintenance and repair of the several portions of the Condominium;
- 13.7.7 Redefinition of the boundaries of any Unit;
- 13.7.8 Reallocation of the interests in the General or Limited Common Elements or rights to their use;
- 13.7.9 Convertibility of Units into Common Elements, or of Common Elements into Units;
- 13.7.10 Imposition of any restrictions on the leasing of Units;
- 13.7.11 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;
- 13.7.12 Restoration or repair of the Condominium (after damage or partial condemnation) in a manner other than specified herein; and
- 13.7.13 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 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 or Bylaws of the Condominium and the 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.

13.8 Request for Approval of Mortgagees. Any Mortgagee who receives a written request to approve additions or amendments to this Declaration or the 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 the Mortgagee within 30 days after the request is received, provided the notice was delivered by certified or registered mail, "return receipt" requested.

13.9 Proxy Held by Mortgagee in Certain Cases. A Mortgagee may attend a meeting of the Association and may cast the vote of the mortgagor of that Unit for the purpose of voting to paint or otherwise maintain the Common Elements, including the imposition of any special assessment necessary to pay the cost of such painting or repair; provided, however, that such right shall arise only in the event the Mortgagee reasonably believes that the Association has failed to maintain the Common Elements in sufficient manner to prevent excessive wear and tear.

13.10 Right to Examine Documents. The Association shall make available to Unit Owners and lenders and to Mortgagees current copies of this Declaration, the 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.

13.11 Right to Annual Reports. Any holder of a Mortgage on a Unit in the Condominium shall be entitled to have an audited financial statement prepared at the Mortgage holder's expense if such a statement is not otherwise available. The Association, its officers and directors, and its Manager (if any) shall cooperate with the Mortgage holder and the auditors to facilitate the necessary auditing and review process. The financial statement shall be furnished within a reasonable time following request.

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

13.13 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 the Mortgagees have requested notice, provided that such information has been furnished to the Association by the Owners or their Mortgagees.

ARTICLE 14

ASSOCIATION OF UNIT OWNERS

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

14.2 Membership, Board of Directors. Each Owner of a Unit shall be a member of the Association. The affairs of the Association shall be governed by a board of directors as provided in the Bylaws.

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

14.4 Adoption of Bylaws. Upon the execution and the recording of this Declaration, Declarant shall adopt Bylaws for the Association.

14.5 Common Element Maintenance by the Association. The Association shall maintain all Common Elements, both general and limited, in a clean and attractive manner. Should the Association fail to do so, Declarant may perform such maintenance at the expense of the Association until the expiration of Declarant's special rights reserved in Article 15.

ARTICLE 15

DECLARANT'S SPECIAL RIGHTS

Declarant shall have the following special rights:

15.1 Sales Office and Model. Declarant shall have the right to maintain sales offices and/or sales models in one or more of the Units that Declarant owns. Declarant and its agents and prospective purchasers shall have the right to use and occupy the sales office and models during reasonable hours any day of the week.

15.2 "For Sale" Signs. Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the Condominium property.

15.3 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 two Units in the Condominium. Nothing contained in this Section 15.3 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 Act.

15.4 Amendments to Declaration. No amendment to the Declaration shall be effective unless and until Declarant consents in writing to such amendment.

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

15.6 Other Declarant Rights. The rights reserved to Declarant in this Article 15 shall in no way limit any other special declarant rights that Declarant may have, whether pursuant to

the 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.

15.7 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 this Article 15, or to share such rights with one or more other persons exclusively, simultaneously, or consecutively.

15.8 Expiration of Declarant's Special Rights. Unless otherwise provided, Declarant's special rights reserved in this Article 15 shall expire upon the earlier to occur of:
(a) conveyance by Declarant of 75 percent of the Units to persons other than Declarant; or
(b) three years after the date of conveyance of the first Unit in the Condominium.

ARTICLE 16

DISPUTE RESOLUTION

All disputes arising from this Declaration shall be settled by binding arbitration in the City of Portland, Oregon, in accordance with the then current commercial arbitration rules of the Arbitration Service of Portland, or its successor, by one neutral arbitrator appointed in the manner provided for in said rules, which arbitrator shall have experience in the management and operation of mixed-use projects. All parties shall be entitled to limited discovery as permitted by the arbitrator and in compliance with Oregon law governing the same. The arbitrator shall not have the power to amend this Declaration or to substitute his or her judgment for the judgment of a party, but may determine whether a party is acting reasonably if a party is bound to act reasonably by this Declaration. The arbitrator shall order a schedule for completion of arbitration that is reasonable to expeditiously resolve the issue presented.

ARTICLE 17

AMENDMENT

17.1 How Proposed. Amendments to this Declaration shall be proposed either by a member of the board of directors or by a Unit Owner. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment.

17.2 Approval Required. Except as may otherwise be provided in this Declaration or by the Act, this Declaration may be amended if such amendment is approved by Unit Owners holding 75 percent or more of the voting rights as otherwise set forth in this Declaration; provided that an amendment may not change the allocation of undivided interests in the General Common Elements, the method of determining liability for Common Expenses, the method of determining the right to common profits, or the method of determining voting rights of any Unit unless such amendment has been approved by the Owners of the affected Units; and provided further that no amendment to this Declaration reducing or eliminating the right of any Mortgagee shall be made without the prior written consent of all such Mortgagees.

17.3 Recordation. The amendment shall be effective upon recordation in the Deed Records of Multnomah County, Oregon, of this Declaration as amended or of the amendment thereto, certified by the chairman and secretary of the Association as being adopted in accordance with this Declaration and the provisions of the Act, and approved by the county assessor and the Real Estate Commissioner if such approvals are required by the Act.

ARTICLE 18

SEVERABILITY

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

ARTICLE 19

APPLICABILITY

Each Unit Owner, including Declarant as to any unconveyed Unit, shall be subject to all the rights and duties assigned to Unit Owners under the terms of this Declaration and the Bylaws.

ARTICLE 20

COSTS AND ATTORNEY FEES

In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms and provisions of this Declaration (as amended or supplemented), the Bylaws (as amended), rules and regulations adopted under the Bylaws, or the Act, the prevailing party is 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. In addition, the Association is entitled to recover costs and attorney fees incurred by it to collect delinquent assessments or fines, or to enforce the terms of this Declaration, the Articles of Incorporation, the Bylaws, or any rules or regulations promulgated thereunder whether or not any collection or foreclosure action or suit is filed.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the day and year first set forth above.

DECLARANT:


DC&H Holdings LLC, an Oregon limited liability company

By: _____
Don Mutal, Member

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the day and year first set forth above.


DECLARANT:

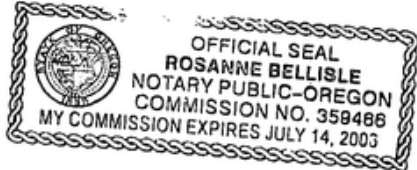
DC&H Holdings LLC, an Oregon limited liability company

By: 
Don Mutal, Member

STATE OF OREGON)
County of Columbia) ss.

The foregoing instrument was acknowledged before me this 12th day of April, 2006, by Don Mutal, Member of DC&H Holdings LLC, an Oregon limited liability company, on behalf of the company.


Notary Public for Oregon
My commission expires: 7/14/06



MORTGAGEE'S CONSENT

Columbia Community Bank is the owner and holder of a mortgage or trust deed on the property being submitted to the Act hereunder and consents to the making of the foregoing Declaration.

COLUMBIA COMMUNITY BANK

By: James Arganbright
Name: JAMES ARGANBRIGHT
Title: SR. VICE PRESIDENT

STATE OF OREGON)
County of Washington) ss.



On this 13 day of April, 2006, personally appeared before me James Arganbright
SR Vice President of Columbia Community Bank on its behalf.

Valerie Herbert
Notary Public for Oregon
My commission expires: July 29, 2006

ASSESSOR AND TAX COLLECTOR

The foregoing Declaration is approved this 8th day of May, 2006.

MULTNOMAH COUNTY ASSESSOR

By: William Martin
Name: William MARTIN
Title: CARTOG-RAPHER

The foregoing Declaration is approved this ___ day of _____, 2006.

MULTNOMAH COUNTY TAX COLLECTOR

By: Debra Pickner
Name: Debra Pickner
Title: A&T Specialist

REAL ESTATE COMMISSIONER

The foregoing Declaration is approved pursuant to ORS 100.100 this 26th day of April, 2006, and in accordance with ORS 100.110(7), this approval shall automatically expire if this Declaration is not recorded within two years from this date.

SCOTT W. TAYLOR
Real Estate Commissioner

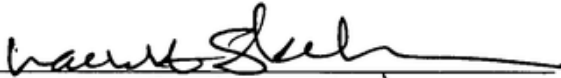
By: 
Name: LAURIE SKILLMAN

EXHIBIT A

LEGAL DESCRIPTION

LOT 3 AND A PORTION OF LOT 6, BLOCK 15, "TERWILLIGER HOMESTEAD", IN THE CITY OF PORTLAND, COUNTY OF MULTNOMAH, AND STATE OF OREGON, LOCATED IN THE NW ¼ OF SECTION 15, T1S, R1E, WM, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INITIAL POINT, A 5/8" REBAR WITH YELLOW PLASTIC CAP INSCRIBED "RAJ LS 2725" FOUND AT THE NORTHEAST CORNER OF SAID LOT 3, THE SOUTHEAST CORNER OF LOT 4, "LAURA'S LOOKOUT", AND THE WEST RIGHT-OF-WAY LINE OF SW VIEWPOINT TERRACE; THENCE S00°53'06"E ALONG THE EAST LINE OF SAID LOT 3 AND SAID WEST RIGHT-OF-WAY LINE, 49.96 FEET TO THE SOUTHEAST CORNER OF SAID LOT 3 AND THE NORTHEAST CORNER OF PARCEL 1, PARTITION PLAT NO. 1994-005, MULTNOMAH COUNTY PLAT RECORDS, AND FROM WHICH A FOUND 5/8" IRON ROD BEARS N89°59'29"E, 0.19 FEET; THENCE S89°59'29"W ALONG THE SOUTH LINES OF LOTS 3 AND 6 AND THE NORTH LINES OF PARCELS 1 AND 2 OF SAID PARTITION PLAT NO. 1994-005, 150.02 FEET TO A 5/8" REBAR WITH YELLOW PLASTIC CAP INSCRIBED "ZAROSINSKI TATONE INC." FOUND AT THE INTERSECTION OF THE SOUTH LINE OF SAID LOT 6 WITH THE EAST LINE OF THAT TRACT OF LAND CONVEYED TO THE STATE OF OREGON BY DEED RECORDED AUGUST 10, 1959, IN BOOK 1968, PAGE 531, MULTNOMAH COUNTY DEED RECORDS; THENCE N17°31'01"W ALONG SAID EAST LINE, 52.34 FEET TO A 5/8" REBAR WITH YELLOW PLASTIC CAP INSCRIBED "RAJ LS 2725" FOUND AT THE INTERSECTION OF SAID EAST LINE WITH THE NORTH LINE OF SAID LOT 6, AND FROM WHICH A FOUND 1" IRON PIPE BEARS S37°12'30"W, 1.51 FEET AND A FOUND ½" IRON ROD BEARS N04°44'43"W, 0.86 FEET; THENCE N89°58'43"E ALONG THE NORTH LINES OF SAID LOT 6 AND LOT 3 AND THE SOUTH LINE OF LOT 7, BLOCK 15, "TERWILLIGER HOMESTEAD" AND THE SOUTH LINES OF TRACT 'A' AND LOT 4, "LAURA'S LOOKOUT", 165.00 FEET TO THE INITIAL POINT. THE LAND DESCRIBED ABOVE CONTAINS 7865 SQUARE FEET, MORE OR LESS.

**BYLAWS
OF
THE ASSOCIATION OF UNIT OWNERS
OF TERRACE VIEW CONDOMINIUM**

1. GENERAL PROVISIONS

A. **Identity.** The Association of Unit Owners of Terrace View Condominium, a nonprofit corporation organized under the laws of the State of Oregon, the Articles of Incorporation of which were filed in the Office of the Oregon Corporation Commissioner on the ____ day of February, 2006 (the "Association"), has been organized for the purpose of administering the operation and management of Terrace View Condominium (the "Condominium"), in accordance with the terms of these Bylaws. The Condominium was established by DC&H Holdings LLC, an Oregon limited liability company ("Declarant"), in accordance with the provisions of ORS Chapter 100 (the "Act"). The Condominium is located upon property in Multnomah County, Oregon, as more particularly described in the Declaration Submitting Terrace View Condominium to Condominium Ownership (the "Declaration"), which is being recorded simultaneously herewith in the records of Multnomah County, Oregon.

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

C. **Defined Terms.** As used in these Bylaws, the term "**Majority of the Unit Owners**" means the owners of more than 50 percent of the voting rights as provided in the Declaration. Whenever a percentage of the Unit Owners is specified, "percentage" means a percentage of voting rights.

Except as otherwise provided, the terms herein shall have the meanings set forth in the Act, as supplemented by the Declaration.

D. Applicability. Declarant approves and adopts these Bylaws and annexes the same to the Declaration, which Bylaws and Declaration shall govern the operation of the Condominium. These Bylaws shall run with the land and shall be binding on and for the benefit of Declarant and its successors and assigns, acting as the present Association, and its successors and assigns, and on all subsequent unit owners and their mortgagees, tenants, occupants, employees, and others who may use the Condominium.

2. ORGANIZATION OF ASSOCIATION

The initial meeting of the Association shall be held within 30 days following the recording of these Bylaws. Declarant shall give at least 10 but not more than 50 days' written notice of the initial meeting to all persons who are Unit Owners on the date of mailing of the notice.

3. UNIT OWNERS' MEETINGS

A. Turnover Meeting. No later than 90 days after the expiration of the period of Declarant's control of the Association reserved in Article 15 of the Declaration, Declarant shall call a turnover meeting. Declarant shall give notice to each Unit Owner at least 10 but not more than 50 days prior to the meeting. The notice shall state the purpose of the meeting and the time and place at which the meeting is to be held. At the turnover meeting:

- (i) Declarant shall relinquish control of the administration of the Association and the Unit Owners shall assume the control.
- (ii) The Unit Owners shall elect a board of directors as provided in Section 4.A of these Bylaws.
- (iii) Declarant shall deliver to the Association all relevant business records of the Association and any other information required by the Act to be delivered.

If Declarant fails to call the turnover meeting within the time specified above, the meeting may be called and notice given by any Unit Owner or any first Mortgagee of a Unit.

B. Annual Meetings. In the twelfth month following the month in which the turnover meeting is held, the first annual meeting of Owners shall be held. At such a meeting, the Association shall, by ballot, elect directors and transact such other business as may come before the meeting. If the election of directors shall not be held on the date designated herein for any annual meeting of the Unit Owners or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the Association as soon thereafter as conveniently may be, not more than 60 days after said time, by proper notice designating the meeting as the annual meeting.

C. Special Meetings. Special meetings of the Association for any purpose or purposes may be called by the Chairperson or a majority of the board of directors and shall be called by the Chairperson at the written request of not less than 50 percent of the Unit Owners entitled to vote at the meeting.

D. Place of Meeting. Such place as the board of directors may designate shall be the place of meeting for all annual and special meetings of the Unit Owners.

E. Notice of Meeting. Written or printed notice stating the place, date, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the discretion of the Chairperson, the Secretary, or the officer or persons calling the meeting, to each Unit Owner entitled to vote at the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail,

addressed to the Unit Owner at his or her last known address on the records of the Association, with postage thereon prepaid.

F. Quorum and Voting of Unit Owners. At any meeting of the Association, Unit Owners owning more than 50 percent of the voting rights who are present (in person or by proxy) shall constitute a quorum; and the concurring vote of a majority of such Unit Owners present and constituting a quorum shall be valid and binding upon the Association, except as otherwise provided by law, these Bylaws, or the Declaration. If less than 50 percent of the voting rights are present at a meeting, a Majority of the Unit Owners present may adjourn a meeting and reconvene without further notice. At such reconvened meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the meeting as originally noted. The Unit Owners present at a duly organized meeting may continue to transact business until adjournment, notwithstanding withdrawals of enough Unit Owners to leave less than a quorum.

If a voting Owner owns or represents more than one Unit, he or she shall have votes corresponding with each Unit that he or she owns or represents. In the event the Owner or Owners have pledged their votes regarding special matters to a Mortgagee under a duly recorded Mortgage and notice thereof has been given to the Secretary of the Association, only the vote of the Mortgagee will be recognized in regard to the special matters upon which the votes are so pledged.

An administrator, executor, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any Unit owned or held by him or her 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 or more persons jointly, according to the records of the Association, a vote thereof may be exercised by any one of the Owners then present, in the absence of protest by a co-Owner unless a valid court order establishes the authority of a co-Owner to vote. In the event of protest by a co-Owner or a valid court order establishing the authority of a co-Owner to vote, the vote shall be divided by the number of co-Owners, and each co-Owner shall cast an equal fractional vote.

G. **Proxies.** At all meetings of the Unit Owners, a Unit Owner may vote by proxy executed in writing by the Unit Owner or by his or her duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting, shall be dated, and shall not purport to be revocable without notice.

4. **BOARD OF DIRECTORS**

A. **Election, Number, and Term.** The number of directors of the Association shall be three. Each director shall be elected by a single ballot, with each Unit Owner permitted to vote for three nominees. At the turnover meeting of the Association, the term of office of each director will be fixed, one for a term of three years, one for a term of two years, and one for a term of one year. The nominee receiving the highest number of votes shall be the three-year director, the nominee receiving the second highest number of votes shall be the two-year director, and the nominee receiving the third highest number of votes shall be the one-year director. At the expiration of the initial term of office of each respective director, a successor shall be elected to a term of three years. Each director must be a Unit Owner.

B. **Powers and Duties.** The board of directors shall have all the powers and duties necessary for the administration of the affairs of the Association and Association property, except such powers and duties as by law or by the Declaration or by these Bylaws may not be

delegated to the board of directors by the Unit Owners. The powers and duties to be exercised by the board of directors shall include, but shall not be limited to, the following:

(i) Operation, care, upkeep, maintenance, repair, and replacement of the General and Limited Common Elements and Association property and payment for the expense thereof.

(ii) Determination of the amounts required for operation, maintenance, and other affairs of the Association, and the making of such expenditures.

(iii) Preparation and adoption of budgets, preparation, review, and update of reserve studies and assessment and collection of the Common Expenses, all in accordance with the provisions of these Bylaws.

(iv) Employment and dismissal of such personnel as necessary for the efficient maintenance, upkeep, and repair of the Common Elements.

(v) Employment of legal, accounting, or other personnel for reasonable compensation to perform such services as may be required for the proper administration of the Association. To the extent required by the Act, the board shall notify the Owners prior to instituting litigation or administrative proceedings, and shall comply with the dispute-resolution procedures set forth in ORS 100.405(11). With regard to any pending litigation involving the Association, the board shall periodically report to the Unit Owners as to the status (including settlement offers), progress, and method of funding such litigation. Nothing in this paragraph shall be construed as requiring the board to disclose any privileged communication between the Association and its counsel.

(vi) Opening of bank accounts on behalf of the Association in the name of the Association and designating the signatories required therefor.

(vii) Preparation and distribution of annual financial statements in accordance with these Bylaws and annual preparation and filing of all required income tax returns or forms for the Association.

(viii) Preparation, adoption, and enforcement of rules and regulations for use of the Common Elements.

(ix) Maintenance of a current mailing address in the name of the Association.

(x) Maintenance of the information required to enable the Association to comply with ORS 100.480(7).

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

(xii) Making additions and improvements to, or alterations of, the Common Elements.

(xiii) Modifying, removing, or eliminating all or any portion of any Common Element landscaping.

(xiv) Designating one or more committees that shall report to the board of directors and may make recommendations to the board. At least one member of each committee shall be a member of the board of directors.

(xv) Enforcement by legal means of the provisions of the Act, the Declaration, these Bylaws, and any rules and regulations adopted hereunder.

(xvi) Imposition of reasonable fines for violations of the Declaration, these Bylaws, or the rules and regulations of the Association after giving written notice and an opportunity to be heard as to the violation, provided that the fine is based on a resolution adopted by the board of directors and a copy of such violation is delivered to each Unit.

(xvii) The filing of an annual report and any amendment in accordance with ORS 100.250.

C. **Regular Meetings.** A regular meeting of the board of directors shall be held without notice other than this Bylaw immediately after and at the same place as the annual meeting of Unit Owners. The board of directors may provide by resolution the time and place for the holding of additional regular meetings without notice other than such resolution. The initial organization meeting shall be held immediately following the organization meeting of the Association. Until the initial meeting of the board, its rights, duties, and functions shall be exercised by Declarant.

D. **Special Meetings.** Special meetings of the board of directors may be called by or at the request of the Chairperson of the board of directors or any one director. The person or persons authorized to call special meetings of the board of directors may fix the place for holding any special meeting called by them.

E. **Notice of Special Meetings.** Notice of any special meeting shall be given at least 72 hours previous thereto by written notice delivered personally or mailed to each director at his or her residence or business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at a meeting shall

constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because a meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting. If at any time a majority of the Units are occupied as principal residences, notice of meetings shall be posted at a place on the Condominium at least three days prior to the meeting.

F. **Quorum of Directors.** A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the board of directors; but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. Each director shall have one vote.

G. **Manner of Directors Acting.** The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

H. **Vacancies on Board of Directors.** Any vacancy occurring on the board of directors may be filled by the affirmative vote of a majority of the remaining directors even if there exists less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of predecessor in office. Any directorship to be filled by reason of an increase in the number of directors or by reason of the removal of one or more directors shall be filled by election at an annual meeting or at a special meeting of the Unit Owners called for that purpose.

I. **Presumption of Assent.** A director who is present at a meeting of the board of directors at which action on any matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless

he or she shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

J. Removal of Directors. Any director may be removed with or without cause at a meeting expressly called for that purpose by a vote of a Majority of the Unit Owners then entitled to vote at an election of directors. Any director who ceases to be a Unit Owner shall cease to be a director.

K. Reimbursement of Directors. The directors shall not receive compensation but shall be reimbursed for their reasonable expenses related to attendance at meetings of the directors.

L. Directors May Engage Manager. The board of directors may retain the services of an individual or firm to act as Manager or managing agent to manage the affairs of the Association and may employ, or instruct such Manager or managing agent to employ, such other persons as may be necessary from time to time for the maintenance, upkeep, and repair of the Common Elements, provided that such persons shall, if required by any applicable regulations, be licensed with the Oregon Real Estate Agency. All such agreements shall provide for a term of not more than three years and may be terminated, with or without cause, upon 90 days' notice to all parties affected.

M. Directors to Adopt Administrative Rules and Regulations. The administrative rules and regulations shall be adopted by Declarant and shall be binding as though they were a part hereof.

The board of directors shall have the power to amend such administrative rules and regulations as may be necessary or desirable to govern the details of the operation and use of the Units and Common Elements, including such rules as are desirable to prevent unreasonable interference with the use of their respective Units and of the Common Elements by the several Unit Owners.

N. **Attendance by Unit Owners.** All meetings of the board of directors of the Association shall be open to Unit Owners, except that, at the discretion of the board, certain matters may be discussed in executive session as permitted under ORS 100.420(1).

5. OFFICERS

A. **Number.** The officers of the Association shall be a Chairperson, a Secretary, and a Treasurer, each of whom shall be elected by the board of directors. No more than two offices may be held by the same person. Officers shall not be required to be Unit Owners.

B. **Election and Term of Office.** The officers shall be elected annually by the board of directors at the first meeting of the board of directors held after each annual meeting of the Unit Owners. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified, or until his or her death, or until he or she shall resign or shall have been removed in the manner herein provided.

C. **Removal.** Any officer elected or agent designated by the board of directors may be removed by the board of directors whenever, in its judgment, the best interests of the Association will be served thereby; but such removal shall be without prejudice to the contract rights, if any, of the persons so removed.

D. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise shall be filled by the board of directors for the unexpired portion of a term.

E. Chairperson. The Chairperson shall have all the powers and duties of a chairperson under the Act. The Chairperson shall, when present, preside at all meetings of the Unit Owners and the board of directors and shall perform all duties incident to such office and such other duties as may be prescribed by the board of directors from time to time. He or she shall be the principal executive officer of the Association and subject to the control of the board of directors. He or she shall, in general, supervise and control all the business and affairs of the Association and sign with the Secretary, or any other proper officer of the Association authorized by the board of directors, any deeds, mortgages, bonds, contracts, or other instruments that the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed.

F. Secretary. The Secretary shall (i) keep the minutes of the meetings of Unit Owners and the board of directors in one or more books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law; (iii) be custodian of the Association records; and (iv) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Chairperson or the board of directors.

G. Treasurer. The Treasurer shall (i) have charge and custody of and be responsible for all funds of the Association; (ii) receive and give receipts for moneys due and

payable to the Association from any source whatsoever; (iii) deposit all moneys in the name of the Association in such banks, trust companies, or other depositories as shall be selected by the board of directors; (iv) approve payment vouchers; (v) prepare or cause to be prepared and filed any required income tax return or forms for the Association; and (vi) in general, perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him or her by the Chairperson or by the board of directors, including approving payment vouchers for maintenance and repair of the Common Elements.

6. FIDELITY BONDS

The Association, through the board of directors, shall require that all officers, directors, employees, and agents of the Association handling or responsible for its funds shall furnish adequate fidelity bonds. The premiums on any such bonds shall be Common Expenses.

7. FINANCIAL RECORDS

The Association shall keep all records required to be kept in accordance with ORS 100.480, and shall keep financial records sufficient for proper accounting purposes. Such records shall be located within the State of Oregon. Within 90 days after the end of each fiscal year, the board of directors shall cause to be prepared an annual financial statement consisting of a balance sheet and income and expenses statement for the preceding fiscal year, and shall distribute to each Unit Owner a copy of the annual financial statement. Upon receipt of a written request made in good faith for a proper purpose, the Association shall make available to Unit Owners and any Mortgagee of a Unit, for their inspection or duplication during normal business hours or under other reasonable circumstances, current copies together with any amendments thereto of the Declaration, these Bylaws, the recorded Plat, if feasible, and other rules concerning the Condominium, and the books, records, and financial statements of the Association. The

Association shall provide, within ten (10) business days of receipt of a written request from an Owner, a written statement that provides (i) the amount of assessments due from the Owner and unpaid at the time the request was received, including regular and special assessments, fines and other charges, accrued interest, and late-payment charges; (ii) the percentage rate of which interest accrues on assessments that are not paid when due; and (iii) the percentage rate used to calculate the charges for a late payment or the amount of a fixed charge for the late payment; provided, however, that the Association is not required to comply with the above provisions if the Association has commenced litigation by filing a complaint against the Unit Owner and the litigation is pending when the statement would otherwise be due; and provided further that records kept by or on behalf of the Association may be withheld under the circumstances set forth in ORS 100.480(5)(b). Upon written request of a prospective purchaser, the Association shall make the foregoing information available for examination and duplication during reasonable hours. The Association may charge a reasonable fee for furnishing any documents, information, or records described in this paragraph 7.

The board of directors at least annually shall prepare and adopt a budget for the Association. A summary of the budget shall be distributed to all Unit Owners within 30 days following adoption. If the board of directors fails to adopt an annual budget, the last adopted budget will continue in effect.

8. CONTRACTS

The board of directors may authorize any officer, director, agent, or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association; and such authority may be general or confined to specific instances. The board shall have the right to make additions, alterations, or improvements to the Common Elements

and to pay for the same out of the reserve fund established by the board, or to specifically assess the several Units therefor as a Common Expense.

9. LOANS

No loan shall be contracted on behalf of the Association, and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors and approved by the affirmative vote of the Owners of 75 percent of the voting rights. Such authority may be general or confined to specific instances.

10. CHECKS, DRAFTS, AND VOUCHERS

All checks, drafts, vouchers, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer, officers, agent, or agents of the Association and in such manner as shall from time to time be determined by the resolution of the board of directors.

11. DEPOSITS

All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, savings and loan associations, or other depositories located within the State of Oregon as the board of directors may select. All assessments shall be deposited in a separate bank account in the name of the Association. All expenses of the Association shall be paid from the Association's bank account.

12. RESERVE STUDY

The board of directors shall, in accordance with ORS 100.175(3)(c), annually conduct a reserve study or review and update an existing study to determine whether adjustments in the amounts of the reserve payments would be appropriate and to determine whether the provision for additional reserve items would be appropriate. The reserve study shall include

(a) identification of items for which reserves are to be established; (b) the estimated remaining useful life of each item as of the date of the reserve study; (c) an estimated cost of maintenance, repair, or replacement of each item at the end of its useful life; and (d) a 30-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves to meet such schedule.

13. TAX RETURNS

The board of directors annually shall cause the necessary income tax returns to be filed for the Association.

14. COMMON EXPENSES

All Owners shall be obligated to pay assessments imposed by the Association to meet all of the Condominium's Common Expenses, which shall include premiums for insurance required or permitted under Section 17 of these Bylaws. In the discretion of the board of directors, the assessments may be made payable semiannually, quarterly, or monthly. An annual assessment shall be charged beginning when Declarant first conveys a Unit to a Unit Owner. Prior to such time, Declarant shall pay all operating expenses of the Condominium. All the reserve accounts set up pursuant to these Bylaws shall be funded by allocation and payment from the assessment of Unit Owners. The assessment of all Unit Owners who may be benefited by expenditure of reserve funds may be increased as necessary, so the reserve fund in question can be maintained in an amount sufficient to meet the needs for which such fund was established.

Except as otherwise provided in the Declaration or these Bylaws, each Unit shall be liable for the Common Expense in the same percentage as the percentage of ownership in the Common Elements allocated to such Unit. The board of directors, in its sole discretion, or the

management agent, at the direction of the board of directors, may round up the Unit assessments to the next whole-dollar amount or to the next quarter-dollar amount.

A. Common Expense Items. The assessment of Units shall include the following items, which shall be Common Expenses:

- (i) Expenses of administration.
- (ii) Expenses of maintenance, repair, or replacement of the Common Elements and Association property, if any.
- (iii) Any deficit in Common Expenses for any prior period.
- (iv) The costs of utilities for the Common Elements and other utilities that have a common meter or that are commonly billed, such as water and sewer.
- (v) At the discretion of the board of directors, the expense of basic cable or satellite television service to all Units, together with maintenance and repair expenses for such system and service.
- (vi) The cost of insurance or bonds obtained in accordance with these Bylaws.
- (vii) The cost of any professional management if required by Mortgagees or desired by the board of directors.
- (viii) Legal, accounting, and other professional fees.
- (ix) Any other items that are properly chargeable as an expense of the Association.

B. Reserve Account. A reserve account shall be established for the purpose of effecting replacements of structural elements, mechanical equipment, exterior painting, and other Common Elements of the Condominium that will normally require replacement in more

than three years and less than 30 years. Payment into this account shall be deemed a contribution to capital improvement as and when made. Pursuant to provisions of the Act, Declarant has established a reserve account for replacement of such Common Elements. The reserve account for replacement shall be funded by assessment against the same Units that are assessed for the maintenance of the items for which the reserve account is established. Accordingly, the reserve account for replacement of those General Common Elements and Limited Common Elements the maintenance of which is provided by assessment against all Owners shall be created by assessment against all Owners. The reserve account for replacement of those Limited Common Elements the maintenance of which is provided by assessment of fewer than all Units shall be created by assessment only against the specific Units responsible for the maintenance of such Limited Common Elements.

Except as otherwise provided in the Act, the reserve account shall be used only for maintenance, repair, and replacement of Common Elements for which reserves have been established and shall be kept separate from other accounts. The board of directors shall create and maintain a general operating reserve account by allocation and payment thereto monthly of an amount determined by the board of directors. This account shall be used to pay expenses that exceed budgeted amounts. The initial working capital required by Section 15.A shall be deposited into such operating reserve account.

C. **Reserve Study.** The board of directors of the Association shall annually conduct a reserve study, or review and update an existing study, of the Common Elements to determine the reserve account requirements. A reserve account shall be established for those items of the Common Elements all or part of which will normally require replacement in more than three and less than 30 years, for exterior painting if the Common Elements include exterior

painted surfaces, and for the maintenance, repair, or replacement of other items as may be required under the Declaration or these Bylaws or that the board of directors, in its discretion, may deem appropriate. The reserve account need not include items that could reasonably be funded from operating assessments. The reserve study shall include:

- (i) Identification of all items for which reserves are to be established;
- (ii) The estimated remaining useful life of each item as of the date of the reserve study;
- (iii) An estimated cost of maintenance, repair, or replacement of each item at the end of its useful life; and
- (iv) A 30-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair, and replacement schedule.

15. INITIAL ASSESSMENT

A. **Contribution to Working Capital.** At closing, each purchaser shall contribute to the Association a sum equal to one-sixth (1/6th) of the annual assessments, with respect to the Unit being purchased, as a one-time contribution to the working capital of the Association. Within 60 days after the first conveyance by Declarant of the first Unit in the Condominium, Declarant shall make such contribution with 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 be made to the Association, but each purchaser shall reimburse Declarant at closing for the amount of the contribution made by Declarant with respect to the Unit conveyed to the purchaser. If the amount of assessments is reduced pursuant to the authority granted to Declarant herein, the initial deposit to the

Association budget, equal to one-sixth (1/6th) of the annual assessments, shall be based on the projected amount of such annual assessments after substantial or full occupancy of the Units rather than on the reduced amount. The working capital contribution shall be allocated to the general operating reserve provided in Section 14.B of these Bylaws. The working capital contribution is in addition to regular assessments and shall not be used as a prepayment of assessments by any Owner. Declarant may not use the working capital funds to defray any of its expenses, reserve contributions, or construction costs, or to make up any budget deficits while Declarant is in control of the Association. All working capital contributions shall be disbursed to the Association at or prior to the turnover meeting and shall be credited to the operating reserve account.

B. Procedures. If Declarant or any other person pays all the operating expenses of the Condominium or subsidizes such expenses, the assessment shall be reduced by such amount, but shall not be reduced to a sum less than the total amount of the replacement reserve items. With respect to Units not yet conveyed by 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 days' written notice to individual Unit Owners before their obligation to pay the full assessment begins. Thereafter, each Owner, including Declarant or such other person, shall pay the assessments to the Association. In the event that Declarant has collected initial assessments from Unit purchasers at closing and thereafter elects to pay or subsidize the operating expenses, thereby causing the amount of the assessment to be reduced, the one-time initial contribution collected from Unit purchasers shall be held by Declarant in a separate

Association account. On the date on which Unit Owners are required to pay full assessments, the aggregate sums held in such separate account shall be deposited to the Association's general account to be used as working capital.

C. Temporary Reduction of Assessment Amount. 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 amount of the assessment to reflect the lower expenses of the project.

16. SPECIAL ASSESSMENTS

The board of directors shall have the power to levy special assessments against an Owner or all Owners for the following purposes and in the following manner:

- A.** To correct a deficit in the operating budget by vote of a majority of the board of directors;
- 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 of directors;
- C.** To make repairs or renovations to the Common Elements if sufficient funds are not available from the operating budget or replacement reserve accounts by vote of a majority of the board of directors;
- D.** To make capital acquisitions, additions, or improvements by vote of at least 75 percent of all votes allocated to Units in the Condominium;
- E.** To make capital acquisitions, additions, or improvements costing less than \$2,500; or

F. To make capital acquisitions, additions, or improvements costing \$2,500 or more by vote of at least 75 percent of all votes allocated to Units in the Condominium.

17. COLLECTION AND PAYMENT OF ASSESSMENTS

A. **Monthly Statements.** Unit Owners' shares of Common Expenses shall be collected monthly, in advance, by the Treasurer of the Association. Each Unit Owner shall be entitled to receive from the Treasurer at the time of payment of Common Expenses an itemized statement of Common Expenses. Such itemized statement shall be prepared in such manner as the board of directors shall determine.

B. **Late Charges.** The board of directors may impose a late charge not to exceed 5 percent of the amount of any statement that is not paid within ten days after it is rendered. The imposition of a late charge shall be without prejudice to any other remedy available to the Association.

C. **Liens.** The Association shall have the authority and the duty to levy and enforce the collection of general and special assessments for Common Expenses. Whenever the Association levies any assessment for Common Expenses against a Unit, the Association, upon complying with this section, shall have a lien upon the individual Unit and the undivided interest in the Common Elements appertaining to such Unit for: (i) the reasonable value of such Common Expenses allocable to such Unit; (ii) any unpaid assessments; (iii) interest; (iv) late charges; (v) costs or other amounts levied under the Declaration or these Bylaws; and (vi) attorney fees, and the lien shall be prior to all other liens or encumbrances upon the Unit, except tax and public improvement assessment liens, and a first mortgage or trust deed of record. Recording of the Declaration constitutes record notice and perfection of the lien for assessments.

Each assessment shall be a separate and personal debt and obligation of the Unit Owner against whom the same is assessed at the time the assessment fell due and shall be collectible as such. Such personal obligation shall not pass to successors in title unless assumed by them or required by law. The board of directors shall cause to be filed a notice of lien claim pursuant to ORS 100.450(2)-(3) with respect to any assessment that has not been paid within 30 days from the mailing of the notice of assessment. The notice of lien claim shall be filed within 10 days following the expiration of such 30-day period. The Association shall be entitled to recover, in any suit to foreclose or action to recover a money judgment for unpaid Common Expenses, interest on the delinquent assessment at the rate of 12 percent per annum and costs, including reasonable attorney fees in such suit or action, or any appeal therefrom.

A lien for Common Expense assessments shall not be affected by any sale or transfer of a Unit, except that a sale or transfer pursuant to a foreclosure of a first mortgage or trust deed or a deed in lieu of foreclosure to the extent permitted by ORS 100.465 shall extinguish a lien securing unpaid assessments through the date of recording the deed, provided that written notice has been given to the Association in accordance with the provisions of ORS 100.465(1) and the deed is recorded not later than 30 days after the date such notice is mailed. Any such delinquent assessments that were extinguished pursuant to the foregoing provision may be reallocated and assessed to all Units as a Common Expense. Any such sale or transfer pursuant to a foreclosure shall not relieve the purchaser or transferee of a Unit from liability for, nor the Unit from the lien of, an assessment made thereafter.

In case of foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Unit; and the plaintiff in the foreclosure suit shall be entitled to the appointment of a receiver to collect the rental, without regard to the value of the security. An action to recover a

money judgment, together with reasonable attorney fees for unpaid Common Expenses, may be maintained without foreclosing or waiving the lien securing the claim for common proceeds.

If the Association records a lien notice, the Unit Owner shall be liable for the cost of preparation and recording of the notice.

D. Interest. All unpaid assessments for Common Expenses shall bear interest at the rate of 12 percent per annum, commencing 15 days after the statement covering the assessment is rendered.

18. INSURANCE

The Association, through the board of directors, shall obtain and maintain at all times and shall pay for out of Common Expense funds the following insurance covering the Common Elements and the Units, including fixtures, equipment, interior improvements, and other property that would ordinarily be required to be covered by a holder of a first mortgage:

(a) Property insurance, including, but not limited to, fire, extended coverage, vandalism, and malicious mischief, and all other perils customarily covered for similar types of projects, in an amount equal to 100 percent of replacement cost; and

(b) Insurance of at least \$1,000,000 for each occurrence covering the legal liability of the Association, the Unit Owners individually, and the Manager, including, but not limited to, the board of directors, the public, and the Unit Owners and their invitees or tenants, incident to ownership, supervision, control, or use of the Condominium. There may be excluded from the policy required under this subsection coverage of a Unit Owner, other than coverage as a member of the Association or board of directors, for liability arising out of acts or omissions of that Unit Owner and liability incident to the ownership or use of the part of the Condominium as to which that Unit Owner has the exclusive use or occupancy. Liability

insurance required under this subsection shall be issued on a comprehensive liability basis and shall provide a cross-liability endorsement providing that the rights of a named insured under the policy shall not prejudice any action against another named insured.

The board of directors shall make every effort to secure insurance policies that 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; and

(d) A provision that any "no other insurance" clause in the master policy exclude individual Owners' policies and not otherwise prevent such individual policies from providing coverage for damage to Units or Common Elements.

Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any insurance trust agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to

negotiate losses under any policy providing such property or liability insurance. Each Unit Owner appoints any Insurance Trustee or substitute Insurance Trustee designated by the Association as an attorney-in-fact for the purpose of purchasing and maintaining such insurance, including the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association or any Insurance Trustee shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their first mortgage holders, as their interests may appear.

At least annually, the board of directors shall review the insurance coverage of the Association. The board of directors shall not be responsible for procuring fire and extended coverage insurance covering the furniture, fixtures, equipment, or contents located in the individual Units.

19. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Each director and officer of the Association now or hereafter in office, and his or her heirs, executors, and administrators, shall be indemnified by the Association against all costs, expenses, amounts, or liability therefor, including attorney fees, that are reasonably incurred by or imposed upon him or her in connection with or resulting from any action, suit, proceeding, or claim to which he or she may be made a party, or in which he or she may be or become involved by reason of his or her acts or alleged acts of omission or commission as such director or officer, or subject to the provisions hereof, or any settlement thereof, whether or not he or she continues to be such director or officer at the time of incurring such costs, expenses, or amounts. Such indemnification shall not apply, however, with respect to any matter as to which such director or officer shall be finally adjudged in such action, suit, or proceeding to have been individually

guilty of willful misfeasance or malfeasance in the performance of his or her duties as such director or officer. Further, the indemnification herein provided shall, with respect to any settlement of any such suit, action, proceeding, or claim, include reimbursement or any amounts paid and expenses reasonably incurred in settling any such suit, action, proceeding, or claim when, in the judgment of the board of directors, a settlement or reimbursement appears to be in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of any and all other rights as to which any such director or officer may be entitled under any agreement, vote of Unit Owners, or otherwise.

20. REPAIR AND MAINTENANCE

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

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

An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any Common Elements and/or facility that was damaged through such Owner's fault and that is not otherwise covered by insurance policies carried by the Owner or the

Association for the Owner's and the Association's benefit. In such circumstances, the insurance obtained by the Owner shall be deemed to be the primary coverage.

21. COLLECTION FROM TENANTS

All leases or rental agreements for Units shall be in writing and specifically subject to the requirements of the Declaration and these Bylaws. If the Unit Owner shall at any time rent or lease his or her Unit and shall default for a period of 30 days or more in the payment of the Unit Owner's proportionate share of Common Expenses and of taxes and assessments, or any installment thereof, the board of directors may, at its option, so long as such default continues, demand and receive from any tenant of the Unit Owner occupying the Unit the rent due or becoming due from such tenant to the Unit Owner, up to an amount sufficient to pay all sums due from the Unit Owner, including interest, if any, and any such payment as such rent to the board of directors by the tenant shall be sufficient discharge of such tenant as between such tenant and the Unit Owner to the extent of the amount so paid. But any such demand or acceptance of rent from any tenant shall not be deemed to be a consent to or approval of any lease by the Unit Owner or a release or discharge of any of the obligations of the Unit Owner hereunder. In the event the board of directors makes demand upon the tenant as aforesaid, the tenant shall not have the right to question the right of the board of directors to make such demand, but shall be obligated to make said payments to the board of directors, as demanded by the board of directors, with the effect as aforesaid; provided, however, the board of directors may not exercise this right if a receiver has been appointed to take charge of the premises pending a mortgage foreclosure or if a Mortgagee is in possession pending a mortgage foreclosure.

22. COMPLIANCE

A. **Subordination.** These Bylaws are subordinate and subject to the provisions of the Declaration and all amendments thereto and the Act; and in case of any conflict, the Act shall control. All terms herein (except where clearly repugnant to the context) shall have the same meanings as in the Declaration or the Act.

B. **Interpretation.** In case any provision of these Bylaws shall be held invalid, such invalidity shall not render invalid any other provision hereof that can be given effect. Nothing in these Bylaws shall be deemed or construed to authorize the Association or board of directors to conduct or engage in any act or business for profit on behalf of any or all of the Unit Owners.

23. LIMITS ON USE OF UNITS AND COMMON ELEMENTS

A. **Lease.** Any lease or rental agreement with respect to a Unit must be in writing, subject to the requirements of the Declaration and the Association, and be approved in writing by a majority of the board of directors prior to commencement of the lease or rental agreement.

B. **Insurance.** Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance on the Condominium without the prior written consent of the board of directors. No Unit Owner shall permit anything to be done or kept in his or her Unit that will result in the cancellation of the insurance on any part of the Condominium. The board of directors shall have the power to adopt rules and regulations for use of the Common Elements, and there shall be no violation of such rules.

24. STATEMENT OF PURPOSES, USE, AND RESTRICTIONS

The Condominium shall be used and occupied as follows:

A. No part of a Unit shall be used for other than residential purposes and related uses, provided that, subject to compliance with local ordinances and other restrictions of record, an Owner may use a Unit as a "home office" so long as clients, customers, and employees do not regularly visit the "home office." No Unit shall be used for a Prohibited Use.

B. There will be no obstruction of the Common Elements, nor shall anything be stored in the Common Elements, without the prior written consent of the Association except as is otherwise provided herein.

C. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance on the Common Elements or contents thereof without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements that will result in the cancellation of insurance on any Unit, or the contents thereof, that would be in violation of any law or regulation of any governmental authority, or that would unreasonably interfere with the use of any Unit or the Common Elements by the Unit Owners. No waste shall be committed in the Common Elements.

D. No Unit Owner shall cause or permit anything (including, without limitation, a sign, awning, canopy, shutter, or radio or television antenna) to hang, be displayed, or otherwise be affixed to or placed on walls or doors, without the prior written consent of the Association.

E. No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein, either willfully or negligently, that may be or become an annoyance or nuisance to the other Unit Owners or occupants.

F. Nothing shall be done in any Unit or in, on, or to the Common Elements that would impair the structural integrity of the Building or any part thereof or that would structurally change the Building or any part thereof except as is otherwise provided herein.

G. Any lease or rental agreement with respect to a Unit shall be subject to the provisions of Section 23.A hereof.

25. DISPUTE RESOLUTION

In the event of any dispute regarding these Bylaws or the Condominium, the dispute must be settled by binding arbitration in the manner provided in the Declaration, provided that proceedings to enjoin, abate, or remedy a violation of these Bylaws and proceedings to foreclose liens held by the Association may be filed in a court of competent jurisdiction and need not be submitted to arbitration.

26. AMENDMENTS

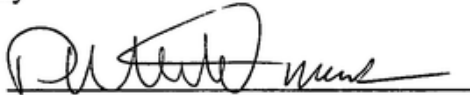
Amendments to these Bylaws may be proposed by resolution of the board of directors or by a Unit Owner. Any proposed amendment shall be delivered in writing, either personally or by mail, to each Unit Owner entitled to vote not less than 7 nor more than 50 days before the date of the meeting at which the proposed amendment will be voted upon or attached to any request for amendment. If mailed, such notice or request shall be deemed to be delivered when deposited in the United States mail addressed to the Unit Owner at his or her last known address on the records of the Association, with postage thereon prepaid. No amendment of the Bylaws proposed in either of such ways shall be effective unless approved by a Majority of the Unit Owners, either in writing or at a duly constituted meeting, and until a copy of the Bylaws, as amended, or the amendment thereto, has been certified by the Chairperson and Secretary of the Association, approved by the Real Estate Commissioner if required under the Act, and

recorded with the recording officer of Multnomah County, Oregon. 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 ANY AMENDED BYLAW.

The undersigned hereby adopts the foregoing on behalf of the Association as the Bylaws of the Association of Unit Owners of Terrace View Condominium, this th12 day of April, 2006.


DECLARANT:

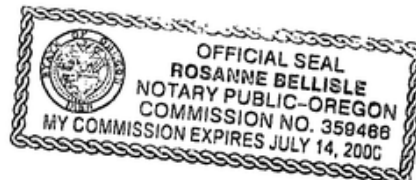
DC&H Holdings LLC, an Oregon limited liability company

By: 
Don Mutal, Member

STATE OF OREGON)
COUNTY OF Columbia) SS

This instrument was acknowledged before me on 4-12, 2006, by Don Mutal as Member of DC&H Holdings LLC.


Notary Public for Oregon
My commission expires: 7/14/06



Return to:
Ticor Title
P.O. Box 1271
St. Helens, OR 97051

**AMENDMENT OF
DECLARATION SUBMITTING
TERRACE VIEW CONDOMINIUM
TO CONDOMINIUM OWNERSHIP**

THIS AMENDMENT, pursuant to the provisions of the Oregon Condominium Act, ORS 100.005 to 100.990 (as amended from time to time, the "Act"), is made and executed this 26th day of June, 2006, by DC&H Holdings LLC, an Oregon limited liability company ("Declarant"), and the undersigned parties.

A. Declarant submitted the land located in the City of Portland, Multnomah County, Oregon, described in the attached Exhibit A (the "Land"), together with the improvements located on the Land (the "Improvements") to the condominium form of ownership and use in the manner provided by the Act, pursuant to a Declaration recorded in the records of Multnomah County, Oregon, on May 8, 2006, as Document No. 2006-083907 (the "Declaration").

B. Pursuant to Article 6 of the Declaration, the five parking spaces located on the Land are limited common elements. Each parking space was assigned to a particular Unit. Declarant wishes to transfer parking space "P2" originally assigned in the Declaration to Unit No. 5221-1 to Unit No. 5223-1.

C. Declarant is the fee simple owner of Unit No. 5221-1.

NOW, THEREFORE, the parties agree as follows:

1. Amendment. Section 6.3 of the Declaration is hereby amended and restated to read as follows:

"6.3 Parking Spaces. The parking spaces located off the east end of the ground floor of the Building are Limited Common Elements appertaining to the following Units:

<u>Parking Space</u>	<u>Unit</u>
P1	5223-2
P2	5223-1
P3	5221-2
P4	5219-1
P5	5219-2"

2. No Other Changes. Except as set forth above, the Declaration shall remain unmodified and in full force and effect.

Recorded in MULTNOMAH COUNTY, OREGON
C. Swick, Deputy Clerk
C59 4 ATMCS
Total : 36.00

2006-127847 07/12/2006 02:43:27pm - 1 -

PDXDOCS:1510992.3

2006

Recorded By Ticor Title
Courtesy Only. Not Examined

876754-6

H

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed as of the day and year first set forth above.

DECLARANT:

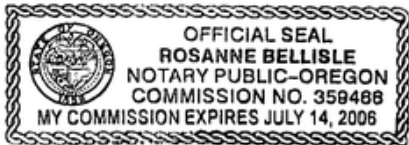
DC&H Holdings LLC, an Oregon limited liability company

By: [Signature]
Name: [Signature]
Title: [Signature]

STATE OF OREGON)
County of Columbia) ss.

The foregoing instrument was acknowledged before me this 29th day of June, 2006, by Josef Kasai, member of DC&H Holdings LLC, an Oregon limited liability company, on behalf of the company.

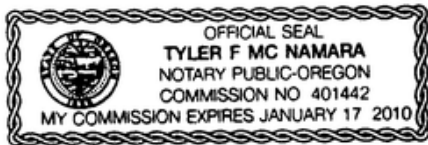
[Signature]
Notary Public for Oregon
My commission expires: 7/14/06



OWNER OF UNIT 5223-1:
[Signature] 6/28/06
Name: Mark Hiatt

STATE OF OREGON)
County of MULTNOMAH) ss.

The foregoing instrument was acknowledged before me this 30th day of JUNE, 2006, by MARK HIATT



[Signature]
Notary Public for Oregon
My commission expires: 1-17-10

ASSESSOR AND TAX COLLECTOR

The foregoing Amendment is approved this ____ day of _____, 2006.

MULTNOMAH COUNTY ASSESSOR

By: _____
Name: _____
Title: _____

The foregoing Amendment is approved this ____ day of _____, 2006.

MULTNOMAH COUNTY TAX COLLECTOR

By: _____
Name: _____
Title: _____

EXHIBIT A

LEGAL DESCRIPTION

LOT 3 AND A PORTION OF LOT 6, BLOCK 15, "TERWILLIGER HOMESTEAD", IN THE CITY OF PORTLAND, COUNTY OF MULTNOMAH, AND STATE OF OREGON, LOCATED IN THE NW ¼ OF SECTION 15, T1S, R1E, WM, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INITIAL POINT, A 5/8" REBAR WITH YELLOW PLASTIC CAP INSCRIBED "RAJ LS 2725" FOUND AT THE NORTHEAST CORNER OF SAID LOT 3, THE SOUTHEAST CORNER OF LOT 4, "LAURA'S LOOKOUT", AND THE WEST RIGHT-OF-WAY LINE OF SW VIEWPOINT TERRACE; THENCE S00°53'06"E ALONG THE EAST LINE OF SAID LOT 3 AND SAID WEST RIGHT-OF-WAY LINE, 49.96 FEET TO THE SOUTHEAST CORNER OF SAID LOT 3 AND THE NORTHEAST CORNER OF PARCEL 1, PARTITION PLAT NO. 1994-005, MULTNOMAH COUNTY PLAT RECORDS, AND FROM WHICH A FOUND 5/8" IRON ROD BEARS N89°59'29"E, 0.19 FEET; THENCE S89°59'29"W ALONG THE SOUTH LINES OF LOTS 3 AND 6 AND THE NORTH LINES OF PARCELS 1 AND 2 OF SAID PARTITION PLAT NO. 1994-005, 150.02 FEET TO A 5/8" REBAR WITH YELLOW PLASTIC CAP INSCRIBED "ZAROSINSKI TATONE INC." FOUND AT THE INTERSECTION OF THE SOUTH LINE OF SAID LOT 6 WITH THE EAST LINE OF THAT TRACT OF LAND CONVEYED TO THE STATE OF OREGON BY DEED RECORDED AUGUST 10, 1959, IN BOOK 1968, PAGE 531, MULTNOMAH COUNTY DEED RECORDS; THENCE N17°31'01"W ALONG SAID EAST LINE, 52.34 FEET TO A 5/8" REBAR WITH YELLOW PLASTIC CAP INSCRIBED "RAJ LS 2725" FOUND AT THE INTERSECTION OF SAID EAST LINE WITH THE NORTH LINE OF SAID LOT 6, AND FROM WHICH A FOUND 1" IRON PIPE BEARS S37°12'30"W, 1.51 FEET AND A FOUND ½" IRON ROD BEARS N04°44'43"W, 0.86 FEET; THENCE N89°58'43"E ALONG THE NORTH LINES OF SAID LOT 6 AND LOT 3 AND THE SOUTH LINE OF LOT 7, BLOCK 15, "TERWILLIGER HOMESTEAD" AND THE SOUTH LINES OF TRACT 'A' AND LOT 4, "LAURA'S LOOKOUT", 165.00 FEET TO THE INITIAL POINT. THE LAND DESCRIBED ABOVE CONTAINS 7865 SQUARE FEET, MORE OR LESS.