

BYLAWS OF THE FONTAINE CONDOMINIUM ASSOCIATION

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The building located at 1220 N. E. 17th Avenue, City of Portland, County of Multnomah, State of Oregon, has been submitted to the provisions of Oregon Revised Statutes (see 91.505 to 91.675) by the Declaration recorded with the recording officer of Multnomah County simultaneously herewith and shall hereinafter be known as "The Fontaine Condominium" (hereinafter called the "Condominium").

Section 2. Bylaws Applicability. The provisions of these Bylaws are applicable to the administration of the property. (The term "Condominium" as used herein shall include the leasehold interest of Housing Estate Corporation.) These Bylaws are adopted by Housing Estate Corporation, Inc., on behalf of the unit owners, all to be in full force and effect until the first annual meeting of said Association. To continue in effect thereafter, these Bylaws must be adopted as herein set forth and as amended by the Association at said first annual meeting.

Section 3. Personal Application. All present or future owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the Condominium in any manner, are subject to the regulations set forth in these Bylaws and to the ground lease attached to the recorded Declaration and any management agreement entered into pursuant to the terms hereof.

The mere acquisition or rental of any of the units of the Condominium or the mere act of occupancy of any said units will signify that these Bylaws and the provisions of the ground lease and management agreement are ratified and will be complied with.

ARTICLE II

VOTING MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Voting. Voting shall be on a percentage basis and the percentage of the vote to which the owner is entitled is the percentage assigned to the unit or units in Schedule 1 of the Declaration.

Section 2. Majority of Owners. As used in these Bylaws the term "majority of owners" shall mean those owners holding 51% of the votes in accordance with the percentages assigned in the Declaration.

Section 3. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a "majority of owners" as defined in Section 2 of this Article shall constitute a quorum.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

Section 1. Association Responsibilities. The owners of the units will constitute the Association of Owners (hereinafter referred to as "Association") who will have the responsibility of administering the Condominium, approving the annual budget, establishing and collecting monthly assessments including blanket insurance premiums and ground rent and arranging for the management of the project pursuant to an agreement, containing provisions relating to the duties,

obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of owners.

Section 2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Condominium or such other suitable place convenient to the owners as may be designated by the Board of Directors.

Section 3. Annual Meetings. The first annual meeting of the Association shall be held on August 10, 1972. Thereafter, the annual meetings of the Association shall be held on the Second Tuesday of December each succeeding year. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the Chairman to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by a majority of the owners being presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting except as stated in the notice unless by consent of all the owners of family units.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least five (5) but not more than ten (10) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. Adjourned Meetings. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, all of whom must be owners of units in the condominium, provided that husband and wife may not serve as Directors simultaneously.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the owners.

Section 3. Other Duties. In addition to duties imposed by these By-Laws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

- (a) Care, upkeep and surveillance of the project and the general common elements and the limited common elements.
- (b) Collection of monthly assessments from the owners in accordance with these By-Laws and the Oregon Unit Ownership Law, including blanket insurance premiums and ground rent.

- (c) Employment and dismissal of the personnel necessary for the maintenance and operation of the property, the general common elements and the limited common elements.
- (d) In the event suit or action is commenced by the Directors for the collection of any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the Bylaws or of the Oregon Unit Ownership Law, the owner will in addition to all other obligations pay the costs of such suit or action including a reasonable attorney's fee to be fixed by the trial court and in the event of an appeal the owner will pay the costs of the appeal together with a reasonable attorney's fee in the appellate court to be fixed by such court.
- (e) The Board of Directors shall apply for all building permits required in the maintenance, alteration, care, upkeep and improvement in the building and general common elements, the limited common elements and each individual unit. The sole power to make application for building permits required under Article VI shall be in the Board of Directors and no individual unit owner may apply for building permits.
- (f) The Board, on behalf of the Association and the individual unit owners may purchase and own a unit or units.

Section 4. Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 of this Article. Housing Estate Corporation shall be employed as the management agent for the period commencing with the date hereof and ending August 31, 1972.

Section 5. Election and Term of Office. At the first annual meeting of the Association the term of office of one Director shall be fixed for three (3) years. The term of office of two Directors shall be fixed at two (2) years, and the term of office of two Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a like term. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by the vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

Section 7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

Section 8. Organization Meeting. The first meeting of a newly-elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings of the Board of Directors may be called by the Chairman on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the Chairman or Secretary in like manner and on like notice on the written request of at least three Directors.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the Chairman or Secretary in like manner and on like notice on the written request of at least three Directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Board of Director's Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors there be less than a quorum present the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Association shall be a Chairman, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be combined as Secretary-Treasurer.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. Chairman. The Chairman shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of Chairman of an Association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 6. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VI

OBLIGATIONS OF THE OWNERS

Section 1. Assessments. All owners are obligated to pay monthly assessments imposed by the Association to meet all common expenses, which will include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of fire, or other hazard, together with ground rent as provided in the lease recorded with the Declaration. The assessments shall be made pro rata according to the value of the unit owned, as stipulated in the Declaration. Such assessments shall include monthly payments to a Reserve Fund for Replacements. The Chairman of the Board or the Manager may approve expenditure up to \$1,000. All the expenditures up to \$7,000 must be approved by Board action, any amount in excess of that amount must be approved by a majority vote of the owners.

Section 2. Maintenance and Repair.

(a) Every owner must perform promptly all maintenance and repair work within his own unit, which if omitted would affect the condominium in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal installations in the unit such as water, light, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, lamps, range, refrigerators, disposers and all other accessories belonging to the unit shall be at the owner's expense.

(c) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and facility damaged through his fault.

Section 3. Right of Entry.

(a) An owner shall grant the right of entry to the Management Agent or to any other person authorized by the Board of Directors or the Association in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

Section 4. Rules of Conduct. Rules and regulations concerning the use of the units and the common elements may be promulgated and amended by the Board of Directors with the approval of a majority of the unit owners. Copies of such rules and regulations shall be furnished by the Board of Directors to each unit owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Directors with the approval of a majority of the unit owners, are annexed hereto and made a part hereof as Schedule A.

Section 5. Default. Failure by the owner to pay any assessment by the Association shall be a default by the owner and subject the owner and the unit to the obligations of these By-Laws and of the Oregon Ownership Law, and in addition thereto any default by the owner in any provision of these By-Laws or of the Oregon Unit Ownership Law shall be deemed to be a default by the owner of any mortgage to which the owner is a party or to which the family unit is subject.

ARTICLE VII

AMENDMENTS TO PLAN OF FAMILY UNIT OWNERSHIP

Section 1: By-Laws. These By-Laws may be amended by the Association in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by owners representing at least 75% of the total value of all units in the project as shown in the Declaration.

ARTICLE VIII

MORTGAGEES

Section 1. Notice to Association. An owner who mortgages his unit shall notify the Association through the Management Agent, if any, or the Chairman of the Board of Directors in the event there is no Management Agent, the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Units".

Section 2. Notice of Unpaid Assessments. The Association shall at the request of a mortgagee of a unit report any unpaid assessments due from the owner of such a unit.

ARTICLE IX

COMPLIANCE

These By-Laws are set forth to comply with the requirements of the Oregon Unit Ownership Law. In case any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

DATED at Portland, Oregon, this 30th day of June, 1972

HOUSING ESTATE CORPORATION

By [Signature]
President

By [Signature]
Secretary

867 1546

STATE OF OREGON
Multnomah County
DEED

I, JOHN D. WELDON, Register of Records and Elections, do hereby certify that the foregoing instrument of writing, the record and contents of which are hereunto recorded in my office, is the true and correct copy of the original of said instrument.



JOHN D. WELDON
DIR. REC. & ELEC.
MULTNOMAH CO., OREGON

To Book 867 Page 1546

Witness my hand and seal of office aforesaid.
JOHN D. WELDON, Director
of Records and Elections
Multnomah County, Oregon

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DECLARATION

OF

THE FONTAINE CONDOMINIUM

This Declaration of Covenants, Conditions and Restrictions, herein after called "Declaration", is made and executed in Portland, Oregon, this 31st day of JUNE, 1972, by HOUSING ESTATE CORPORATION, an Oregon corporation, its successors, grantees and assigns, hereinafter called "Declarant", pursuant to the provisions of the Oregon Unit Ownership Act.

WITNESSETH:

WHEREAS, Declarant is the sole lessee, contract purchaser, and possessor of certain real property located in the City of Portland, County of Multnomah, State of Oregon, more particularly described as follows:

A tract of real property above a horizontal plane drawn at an elevation of 146.5 feet and bounded and described as Lots 1, 2, 3, 4, 7 and 8, Block 194, Holladay's Addition to East Portland, EXCEPT, the South ten (10) feet of Lot 4 taken for street purposes; and ALSO, the West half ($\frac{1}{2}$) of a strip East of and adjoining the East half ($\frac{1}{2}$) of Lots 7 and 8, Block 194, Holladay's Addition to East Portland, West of the West line of Lot 13, Block 1, Holladay Park Addition; all in the City of Portland, County of Multnomah, State of Oregon, and,

A leasehold interest in a certain tract of real property below a horizontal plane drawn at an elevation of 146.5 feet and bounded and described as Lots 1, 2, 3, 4, 7 and 8, Block 194, Holladay's Addition to East Portland, EXCEPT, the South ten (10) feet of Lot 4 taken for street purposes, hereinafter referred to as "Property", said amended Lease is attached hereto as Exhibit C, and by this reference made a part hereof,

WHEREAS, Declarant is the owner of a certain condominium building consisting of sixteen (16) stories, plus parking basement, and certain other improvements heretofore constructed upon the aforesaid property, which property is hereby subjected to the terms of the provisions of the Oregon Unit Ownership Act, Oregon Revised Statutes 91.505 to 91.675, and it is the wish and the intention of the Declarant to divide the building into units, as hereinafter defined, and to sell and convey the same to various purchasers, subject to the covenants, conditions and restrictions herein reserved to be kept and observed; and

WHEREAS, Declarant has filed herewith for record in the office of the Recorder of Multnomah County, State of Oregon, a certain instrument entitled "Floor Plans and Map of the Fontaine Condominium", hereinafter referred to as "Plans", and

WHEREAS, Declarant wishes and intends, by filing this Declaration and the aforesaid Plans, to submit the above described property and the building, and other improvements constructed thereon, together with all appurtenances thereto, to the provisions of the aforesaid Act as a condominium project, and to impose upon said property and building mutually beneficial restrictions under a general plan of improvement for the benefit of all of said condominium units and the owners thereof.

NOW, THEREFORE, the Declarant does hereby publish and declare that the name by which this condominium is to be identified is The Fontaine Condominium, and its address is 1220 N. E. 17th Avenue, Portland, Oregon, and all of the property described above is held and shall be held, used, conveyed, hypothecated, encumbered, leased, rented, occupied and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominium units, and shall be deemed to run with the leasehold land and shall be a burden and a benefit to Declarant, its successors and assigns and any subsequent owners acquiring or owning an interest in the real property and improvements thereon, their grantees, successors, heirs, executors, administrators, devisees and assigns:

A. **DESCRIPTION OF BUILDING.** The primary structure on the property consists of a sixteen (16) story reinforced concrete building, with a garage area, and containing eighty-nine (89) units. There are two elevators; one which runs from the garage to the 16th floor, and one which runs from the garage to the roof level.

The exterior walls are poured reinforced concrete, pre-cast concrete spandrels and aluminum sash with fixed glazing and awning units. Floors, roof and interior corridor walls, elevator shafts and stairwells are poured reinforced concrete. Interior walls between units are double, solid gypsum partitions. One-inch Armolite insulation is attached to the exterior concrete walls and two inches of rigid insulation are applied to the concrete roof. A lightweight asphaltic topping slab is poured over the rigid insulation and sloped to area drains in the roof. Stairwells at each end of the corridor have steel and/or concrete stair systems. Walls are finished with painted, textured gypsum board. Ceilings have 1/8" acoustical plaster sprayed to the underside of the concrete floor structure. A full sprinkling system is installed in the parking garage. Fire hose cabinets are installed on each floor, and a dry standpipe with Siamese connections is attached to the exterior of the building. A fire alarm system and a fire and domestic water pump are installed. A security intercom entry-door system is provided as well as a closed circuit TV camera located in the lobby area.

B. **TYPE OF ESTATE.** Said Declarant, in order to establish a plan of condominium ownership for the above described land and improvements, hereby covenants and agrees that it hereby divides said property into the following separate estates:

1. **Fee Title of Units.** The 89 separately designated and legally described freehold estates consisting of the spaces or areas, contained in the perimeter walls of each of the 88 apartments and one office in said multi-family structure on said property, said spaces being defined and referred to herein as Units as designated on floor plans attached hereto as Exhibit B, and by this reference made a part hereof.
2. **Parking Stalls.** The 91 separately designated freehold estates consisting of the spaces or areas, being the area or space being defined and referred to herein as parking stalls and as designated on floor plans attached hereto as Exhibit B.
3. **Common Elements.** A freehold estate consisting of the remaining portion of the property is described and referred to herein as the "common elements," which definition includes the multi-family structure and specifically includes, but is not limited to, the roof, main walls, slab, elevators,

elevator shafts, staircases, lobby, halls, utility rooms, storage area, craft room, asphalt surfact, pumps, water tanks, trees, pavement, patios, pipes, wires, conduits and ducts, or other public utility lines, together with a leasehold estate on the underlying real property for one hundred (100) years as described on page one hereof and as more clearly identified in Exhibit C hereof.

C. PERCENTAGE OF INTEREST IN COMMON. For the purpose of this Declaration, the ownership of each "Unit" and parking stall shall include the respective undivided interest in the common elements which shall be conveyed with the respective unit is specified and established in accordance with Schedule 2 attached hereto and made a part hereof.

D. LIMITED COMMON ELEMENT. A portion of the "General Common Elements" is hereby set aside and allocated for the use of the respective "Unit" as is hereinafter designated, and as shown on the Plan attached hereto, and said areas shall be known as "Limited Common Elements". Said areas are for the exclusive use of the unit to which it is assigned to be used for ordinary storage purposes located and described on the Floor Plan attached hereto.

E. DESCRIPTION OF UNITS. The 89 individual "Units", hereby established, and which shall be individually conveyed are described as follows:

1. Units. 84 two-bedroom units, six each located on Floor 2 through 12 and 14 and 15, there being no floor numbered as thirteen. Designated on each level with A, B, C, D, E and F following the unit number:

2A	2B	2C	2D	2E	2F
3A	3B	3C	3D	3E	3F
4A	4B	4C	4D	4E	4F
5A	5B	5C	5D	5E	5F
6A	6B	6C	6D	6E	6F
7A	7B	7C	7D	7E	7F
8A	8B	8C	8D	8E	8F
9A	9B	9C	9D	9E	9F
10A	10B	10C	10D	10E	10F
11A	11B	11C	11D	11E	11F
12A	12B	12C	12D	12E	12F
14A	14B	14C	14D	14E	14F
15A	15B	15C	15D	15E	15F
16A	16B	16C	16D	16E	16F

2. Units. Four (4) three-bedroom units, located on the seventeenth floor of the building, designated on the level by G, H, I and J preceding the unit number:

17G	17H	17I	17J
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3. Office. One (1) combination office and living quarter, located on the roof level and designated by O-1.

4. Parking Stalls. 91 parking stalls located in the basement and exterior parking lot designated "C" or "O" depending on whether they are covered or open. 89 stalls are standard stalls and contain approximately 153 cubic feet. Two compact stalls O-87 and O-70 are approximate 136 cubic feet.

Each stall has immediate access to that portion of the floor on which it is located which is not set aside for parking stalls, and which are part of the common elements. The parking stalls are located as follows:

- Basement C-1 through C-32
- Floor 1 - Exterior 0-33 through 0-91

F. COVENANTS. Said Declarant, its successors, assigns and grantees, by this Declaration, and all future owners of the "Units", by their acceptance of their deeds, covenant and agree as follows:

1. No Partition or Separation. That the "Common Elements and Units" shall remain undivided and no owner shall bring any action for partition; it being agreed that this restriction is necessary in order to preserve the rights of the owners with respect to the operation and management of the condominium. Nor shall Declarant, Owner or any person acquiring any interest in the Unit seek any such judicial partition, unless the property has been removed from the provisions of the Unit Ownership Act. That the fee titles to the respective "Units" conveyed therewith shall not be separated or separately conveyed, and each said undivided interest shall be deemed to be conveyed or encumbered with its respective "Unit", even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the "Unit".

2. Parking Stall. That title to a parking stall can only be held by a Unit Owner.

3. Residential Facility. That the "Unit" shall be occupied and used by the respective owners only as a residential facility for the owner, his family, tenants, and social guests, and for no other purpose, except for the "Office" which shall be used as a business and professional office as well as living quarters.

4. Unit Ownership. The owner of the respective "Unit" shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding his respective "apartment", nor shall said owner be deemed to own pipes, wires, conduits or other public utility lines running through said "Unit", except as tenants in common with the other owners as heretofore provided in "E". Said owner, however, shall be deemed to own the walls and partitions which are contained in said owner's "Unit", and also shall be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper, etc.

5. Easement. The owners of the respective "Units" agree that if any portion of the "common elements" encroaches upon the "Unit", a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. In the event the building is partially or totally destroyed and then rebuilt, the owners of "Units" agree that minor encroachment of parts of the "common elements" due to construction shall be permitted and that valid easement for said encroachment and the maintenance thereof shall exist.

6. Association Automatic Membership. That an owner of a "Unit" shall automatically be a member of The Fontaine Condominium Association and shall remain a member of said Association until such time as his ownership ceases for any reason, at which time his membership shall pass to the succeeding owner. A unit owner also automatically appoints the Association as Trustee to hold the blanket insurance and land lease.

At any meeting of the unit owners, the owner of each Unit, including Declarant, shall be entitled to cast a vote for each individual unit in accordance with Schedule 1. Any owner may attend and vote at such meeting in person, or by an agent duly appointed by written instrument, signed by the owner and filed with the Board of Directors or the Manager. Any designation of an agent to act for an owner may be revoked at any time by written notice to the Board of Directors or Manager, and the owner of record shall be entitled to vote until the Board of Directors or Manager has received actual notice of the conveyance by such owner of his Unit. Where there is more than one record owner, any or all of such persons may attend any meeting of the Unit Owners, but it shall be necessary for all said record holders of a Unit to act unanimously in order to cast the vote to which they are entitled. Any designation of an agent to act for such persons must be signed by all such persons.

Notice: Any unit owner who mortgages his interest in a unit shall notify the Association, through the managing agent, of the name and address of his mortgagee, and the secretary shall maintain such information in the record of ownership of the Association.

7. Bylaws Made a Part. That the owners of "Units" covenant and agree that the administration of the condominium shall be in accordance with the provisions of this Declaration and the Bylaws of the Association which are made a part hereof and attached as Exhibit A and by this reference made a part hereof.

8. Compliance With Declaration and Bylaws. That each owner, tenant or occupant of a "Unit" shall comply with the provisions of this Declaration, the Bylaws, decisions and resolutions of the Association or its representative, as lawfully amended from time to time, and failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover sums due, for damages, or for injunctive relief.

9. Amendment of Declaration. Except as otherwise provided herein, the provisions of this Declaration may be amended by the vote of the majority of the members of the Association of Unit Owners. Such amendment shall be effective upon recordation in the office of the Recorder of Multnomah County, state of Oregon, duly signed and acknowledged by the Chairman of the Association of Unit Owners.

10. First Refusal. In order to maintain a community of congenial residents and thus protect the value of the Units, the transfer of units by any owner other than the Declarant shall be subject to the following provisions so long as the condominium exists and the building in useful condition exists upon the land, which provisions each owner covenants to observe:

I. Transfers Subject to Approval.

(a) Sale. No unit owner may dispose of a unit or any interest therein by sale without approval of the Association except to a Unit Owner.

(b) Lease. No Unit owner may dispose of a unit or any interest therein by lease without approval of the Association except to a Unit owner.

(c) Gift. If any Unit owner shall acquire his title by gift, the continuance of his ownership of his unit shall be subject to the approval of the Association.

(d) Devise or Inheritance. If any Unit owner shall acquire his title by devise or inheritance, the continuance of his ownership of his unit shall be subject to the approval of the Association.

(e) Other transfers. If any Unit owner shall acquire his title by any manner not heretofore considered in the foregoing subsections, the continuance of his ownership of his unit shall be subject to the approval of the Association.

II. Approval by Association. The approval of the Association which is required for the transfer or ownership of units shall be obtained in the following manner:

(a) Notice to Association.

(1) Sale. A Unit owner intending to make a bona fide sale of his unit or any interest therein shall give to the Association notice of such intention, together with the name and address of the intended purchaser and such other information concerning the intended purchaser as the Association may reasonably require. Such notice at the Unit owner's option may include a demand by the Unit owner that the Association furnish a purchaser if the proposed purchaser is not approved; and if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract to sell.

(2) Lease. A Unit owner intending to make a bona fide lease of his unit or any interest therein shall give to the Association notice of such intention, together with the name and address of the intended lessee, such other information concerning the intended lessee as the Association may reasonably require, and an executed copy of the proposed lease.

(3) Gift; devise or inheritance; other transfers. A Unit owner who has obtained his title by gift, devise or inheritance, or by any other manner not heretofore considered, shall give to the Association notice of the acquiring of his title, together with such information concerning the unit owner as the Association may reasonably require, and a certified copy of the instrument evidencing the owner's title.

(4) Failure to give notice. If the notice to the Association herein required is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a unit, the Association at its election and without notice may approve or disapprove the transaction or ownership, the Association shall proceed as if it had received the required notice on the date of such disapproval.

(b) Certificate of Approval.

(1) Sale. If the proposed transaction is a sale, then within 30 days after receipt of such notice and information the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the president and secretary of the Association.

(c) Gifts; devise or inheritance; other transfers. If the unit owner giving notice has acquired his title by gift, devise or inheritance, or in any other manner, then within 30 days after receipt from the unit owner of the notice and information required to be furnished, the Association shall deliver or mail by registered mail to the unit owner an agreement to purchase by a purchaser approved by the Association who will purchase and to whom the unit owner must sell the unit upon the following terms:

(1) The sale price shall be the fair market value determined by agreement between the seller and purchaser within 30 days from the delivery or mailing of such agreement, and in the absence of agreement as to price, it shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the unit; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

(2) The purchase price shall be paid in cash.

(3) The sale shall be closed within ten (10) days following the determination of the sale price.

(4) If the Association shall fail to provide a purchaser as herein required, or if a purchaser furnished by the Association shall default in his agreement to purchase, then notwithstanding the disapproval such ownership shall be deemed to have been approved, and the Association shall furnish a certificate of approval as elsewhere provided.

Exceptions. The foregoing provisions of this section shall not apply to a transfer to or purchase by a bank, life insurance company or federal savings and loan association which acquires its title as the result of owning a mortgage, trust deed, or other security interest upon the unit concerned, and this shall be so whether the title is acquired by deed from the mortgagor or his successor in title or through foreclosure

proceedings; nor shall such provisions apply to a transfer, sale or lease by a bank, life insurance company or federal savings and loan association which so acquires its title. Neither shall such provisions require the approval of a purchaser who acquires the title to a unit at a duly advertised public sale with open bidding which is provided by law, such as but not limited to execution sale, foreclosure sale, judicial sale or tax sale.

(5) Unauthorized transactions. Any sale, mortgage or lease which is not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

G. UNPAID ASSESSMENT. All sums assessed by the Association but unpaid for the share of the common expenses and utility services chargeable to any unit shall constitute a lien on such unit prior to all other liens, except only (1) tax liens on the apartment in favor of any assessing unit and special district, and (2) all sums unpaid on the first mortgage of record. Such lien may be foreclosed by suit by the Manager or Board of Directors, acting on behalf of the owners of the "units", in like manner as a mortgage of real property. In any such foreclosure the Unit owner shall be required to pay a reasonable rental for the unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Manager or Board of Directors, acting on behalf of the owners of the unit shall have power, to bid in the unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

1. Notice. The managing agent or Board of Directors, at the request of any mortgagee or prospective purchaser of any unit or interest therein, shall report to such person the amount of any unpaid assessments due from the owner of such unit.

2. Waiver. That no owner of a "Unit" may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the common areas and facilities or by the abandonment of his "Unit".

3. Foreclosure. Where the mortgagee of a first mortgage of record or other purchaser of a unit obtains title to the unit as a result of foreclosure of the first mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such unit which became due prior to the acquisition of title to such unit by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the units, including such acquirer, his successors and assigns.

4. Voluntary Conveyance. In a voluntary conveyance of a Unit the Grantee of the unit shall be jointly and severally liable with the Grantor for all unpaid assessments by the Association against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. However, any such Grantee shall be

entitled to a statement from the Manager or Board of Directors of the Association, as the case may be, setting forth the amount of the unpaid assessments against the Grantor due the Association, and such Grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments made by the Association against the Grantor in excess of the amount therein set forth.

H. REPAIR AND RECONSTRUCTION. In the event the building subject to this Declaration is totally or substantially damaged or destroyed, the repair, reconstruction or disposition of the property shall be as provided by an Agreement approved by ninety (90) percent of the voters.

I. BINDING AGREEMENT. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established pursuant to ORS 91.505 to 91.675, and this Declaration or in the Bylaws, shall be deemed to be binding on all owners of units, their successors and assigns.

J. INSURANCE. Individual insurance may be carried upon the units and the personal property of the owners. All other insurance policies on the property shall be purchased by the Association for the benefit of the Association, the owners and their mortgagees as their interests may appear. A master policy shall be obtained by the Association providing for individual certificates of insurance to be issued to each unit owner showing the amount of insurance applicable to his respective unit, with an additional provision for loss payable endorsements in favor of mortgagees of such unit, in such form as may be satisfactory to the mortgagees.

1. The building and improvements upon the land and all personal property included in the Common Elements shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association.

2. The Board of Directors of the Association of Unit Owners, or the Management Agent, or the Manager, shall obtain and continue in effect blanket property insurance in form and amounts satisfactory to mortgagees holding first mortgages covering units, but without prejudice to the right of the owner of a unit to obtain individual insurance.

K. MANAGER. The Board of Directors of the Association may delegate any of its managerial duties, powers or functions to any person or firm, to act as Manager of the project, provided that any such delegation shall be revocable upon notice by the Board of Directors. The members of the Board of Directors shall not be liable for any omission or improper exercise by the Manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board of Directors. In the absence of any appointment, the Chairman of the Board of Directors shall act as Manager.

L. PROXY RIGHT. If the mortgagee of any unit owner determines that the Board of Directors is not providing an adequate maintenance, repair, and replacement program for the project, such mortgagee, at its option, may deliver a written notice to the Board of Directors by delivering same to the registered agent, required pursuant to ORS 91.935, setting forth the particular defect which it believes exists in the maintenance, repair, and replacement program.

If the specified defects are not corrected within ninety (90) days subsequent to the receipt of such notice, the mortgagee, upon written notice to the registered agent that it is exercising its proxy rights thereunder, shall have the right to attend succeeding annual or special meetings of the Association of Unit Owners and to cast a vote for each unit on which it holds a mortgage lien on all business coming before such meeting, which said proxy right shall continue until the defects listed in the aforementioned notice are corrected.

M. UNIT ENTRY. The Board of Directors or its agents may enter any unit when necessary in connection with any maintenance, landscaping or construction for which the Board of Directors is responsible. Such entry shall be made with as little inconvenience to the owners as practicable, and any damage caused thereby shall be repaired by the Board of Directors out of the common expense fund.

N. DAMAGE. The Board of Directors shall not be liable for any failure of any service to be obtained and paid for by the Board of Directors or for injury or damage to person or property caused by the elements or by another owner or person in the project, or resulting from electricity, water, rain, snow or ice which may leak or flow from outside or from any parts of the building, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place, unless caused by negligence of the Board of Directors. No diminution or abatement of common expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements to the common elements or from any action taken to comply with any law, ordinance or order of a governmental authority. The Board of Directors and Manager shall not be responsible to the owners for loss or damage by theft or otherwise of articles which may be stored by the owners on the property or in the units.

O. LIABILITY OF BOARD. Each member of the Board of Directors shall be indemnified by the owners against all expenses and liabilities, including attorney's fees reasonably incurred or imposed upon him in connection with any proceedings to which he may be a party or in which he may become involved by reason of his being or having been a member of the Board of Directors, or any settlement thereof, whether or not he is a member of the Board of Directors at the time such expenses are incurred; except, in such cases wherein the member of the Board of Directors is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, in the event of a settlement, the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interests of the Board of Directors.

P. REGISTERED AGENT. Mr. George I. Hansen, 1235 N. E. 16th Avenue, Portland, Oregon, 97232, shall be the person designated to receive service of process for the Condominium.

Q. CONSTRUCTION. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a Condominium project, as specified under the Oregon Unit Ownership Act. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

R. SEVERABILITY. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

S. This Declaration shall take effect upon recordation.

THE FONTAINE CONDOMINIUM ASSOCIATION

By [Signature]
Its Chairman

HOUSING ESTATE CORPORATION

By [Signature]
President

By [Signature]
Secretary

The following real property owners hereby consent to and approve of the within Declaration.

[Signature]
Riley Pleas

[Signature]
Norman Berg

STATE OF OREGON)
County of Multnomah) ss.

I, Neal K. Sande, a Notary Public for Oregon, do hereby certify that on this 30th day of June, 1972, personally before me George L. Hansen, who, being by me first duly sworn, declared that he is the Chairman of the Board of Directors of the Association, who signed the foregoing document as such Officer of said Association, and that the statements therein contained are true.



Neal K. Sande
Notary Public for Oregon
My Commission Expires: Sept 7 1973

STATE OF OREGON)
County of Multnomah) ss.

On this 30th day of June, 1972, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named P. M. Sande, who, being duly sworn, stated that he is the Secretary of Housing Estate Corporation, and who is known to me to be the identical individual described in and who executed the within instrument, and acknowledged to me that he executed the same freely and voluntarily, and affixed the corporate seal by authority of the Corporation's Board of Directors.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Neal K. Sande
Notary Public for Oregon
My Commission Expires: Sept 7 1973

Approved:
Robert A. Gray
County Assessor

Approved:
Robert A. Gray
Tax Collector

In lieu of the receipt of a cash payment for the 1972-1973 taxes, a bond in the amount of \$60,000 has been received by the Assessor.

P. M. Sande
P. M. Sande

Schedule 1

Voting power of each unit based on value compared to combined value of all units.

Unit Designation	Voting Power	Unit Designation	Voting Power	Unit Designation	Voting Power
2A	.71	7A	.88	12A	1.03
2B	.90	7B	1.08	12B	1.26
2C	.83	7C	.99	12C	1.16
2D	.71	7D	.88	12D	1.02
2E	.87	7E	1.04	12E	1.22
2F	.88	7F	1.05	12F	1.23
3A	.76	8A	.91	14A	1.06
3B	.94	8B	1.11	14B	1.30
3C	.86	8C	1.03	14C	1.19
3D	.76	8D	.91	14D	1.05
3E	.90	8E	1.08	14E	1.25
3F	.91	8F	1.09	14F	1.27
4A	.79	9A	.94	15A	1.11
4B	.97	9B	1.15	15B	1.37
4C	.89	9C	1.06	15C	1.26
4D	.79	9D	.93	15D	1.11
4E	.94	9E	1.11	15E	1.32
4F	.95	9F	1.12	15F	1.34
5A	.82	10A	.97	16A	1.14
5B	1.01	10B	1.19	16B	1.41
5C	.93	10C	1.09	16C	1.29
5D	.82	10D	.96	16D	1.14
5E	.97	10E	1.15	16E	1.36
5F	.98	10F	1.16	16F	1.37
6A	.85	11A	1.00	17G	2.12
6B	1.04	11B	1.22	17H	2.03
6C	.96	11C	1.13	17I	2.05
6D	.85	11D	.99	17J	2.05
6E	1.01	11E	1.18	0-1	.89
6F	1.02	11F	1.19	C1-C32	2.32
				033-091	1.07
					<u>100.00</u>
					.07 ea
					.02 ea

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Schedule 2

The undivided interest in the Common Elements hereby established and which shall be conveyed with each unit.

<u>Designation</u>	<u>Number of Units</u>	<u>Percentage of Ownership of Elements</u>	<u>Total Percentage</u>
A	14	.9699	13.5786
B	14	1.1872	16.6208
C	14	1.0929	15.3006
D	14	.9639	13.4946
E	14	1.1490	16.0860
F	14	1.1610	16.2540
G	1	1.6674	1.6674
H	1	1.5957	1.5957
I	1	1.6172	1.6172
J	1	1.6137	1.6137
O	1	1.8102	1.8102

<u>Parking Stall Designation</u>	<u>Cubic Footage</u>			
C1 - C32	1090	32	.0121	.1872
033 - 069	1090	37	.0030	.1110
071 - 086	1090	16	.0030	.0480
088 - 091	1090	3	.0030	.0090
087 & 070	803	2	.0030	.0060
				<u>100.0000</u>

