

WILLIAM OVERTON CONDOMINIUM

LOT 18, BLOCK 289, COUGH'S ADDITION TO THE CITY OF PORTLAND, SITUATED IN THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON

DATE: JANUARY 28, 2008
 JOB NO. 08-010 P:\08-010\08-010CDD.DWG

- LEGEND**
- - FOUND MONUMENT AS NOTED.
 - FD - FOUND
 - IR - IRON ROD
 - W/PPC - WITH A YELLOW PLASTIC CAP
 - L.C.E. - LIMITED COMMON ELEMENT
 - G.C.E. - GENERAL COMMON ELEMENT
 - SN - SURVEY NUMBER, MULTNOMAH COUNTY SURVEY RECORDS
 - 289 - BLOCK NUMBER
 - AC - ASPHALT
 - PU - PARKING UNIT
 - EL - ELEVATION
 - R.O.W. - RIGHT-OF-WAY

SCALE: 1" = 10'

INDEX

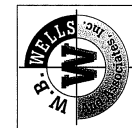
- SHEET 1 - BOUNDARY, BUILDING LOCATION, PARKING UNIT LOCATIONS
- SHEET 2 - BASEMENT, BASEMENT DETAIL
- SHEET 3 - FIRST FLOOR, SECOND FLOOR, THIRD FLOOR, SECTION A-A
- SHEET 4 - SURVEYOR'S CERTIFICATE, CERTIFICATE OF COMPLETION, NARRATIVE, DECLARATION, ACKNOWLEDGEMENT, AND APPROVALS

NOTES

1. BUILDING CORNERS ARE PERPENDICULAR, EXCEPT AS NOTED.
2. ELEVATIONS ARE BASED ON CITY OF PORTLAND BENCHMARK NO. 266, A FOUND 2-1/2" BRASS DISC LOCATED AT THE SOUTHWEST CORNER OF THE INTERSECTION OF N.W. OVERTON STREET AND N.W. 20TH AVENUE. ELEVATION = 67.114 FEET, CITY OF PORTLAND DATUM.
3. DIMENSIONS AND BUILDING TIES SHOWN ARE TO THE EXTERIOR PERIMETER OF THE BUILDING WALL LINE.
4. THE VERTICAL PLANE (UPPER VERTICAL LIMIT) OF PARKING UNITS IS 14.00 FEET ABOVE THE PAVED SURFACE, PER SECTION 5.2 OF THE CONDOMINIUM DECLARATION.

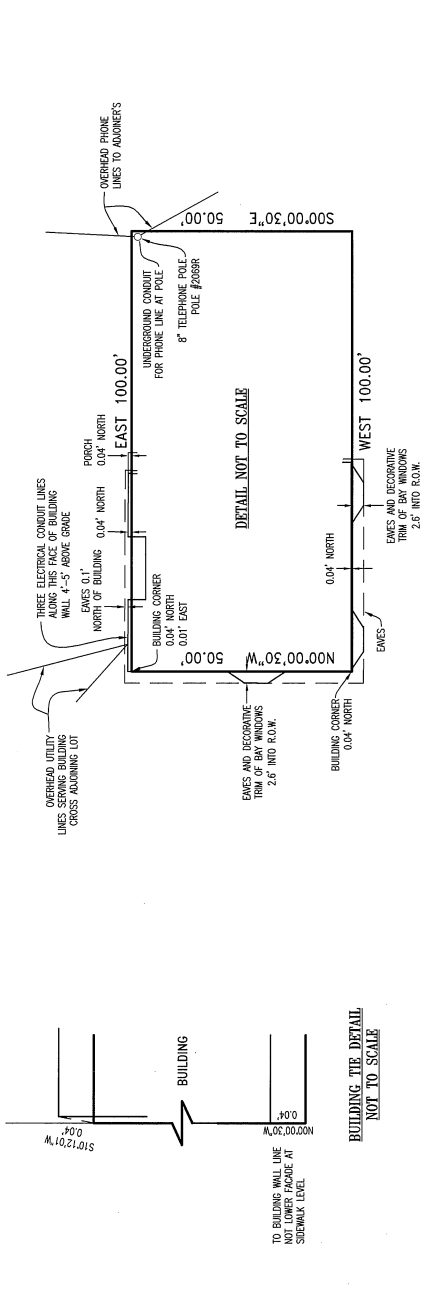
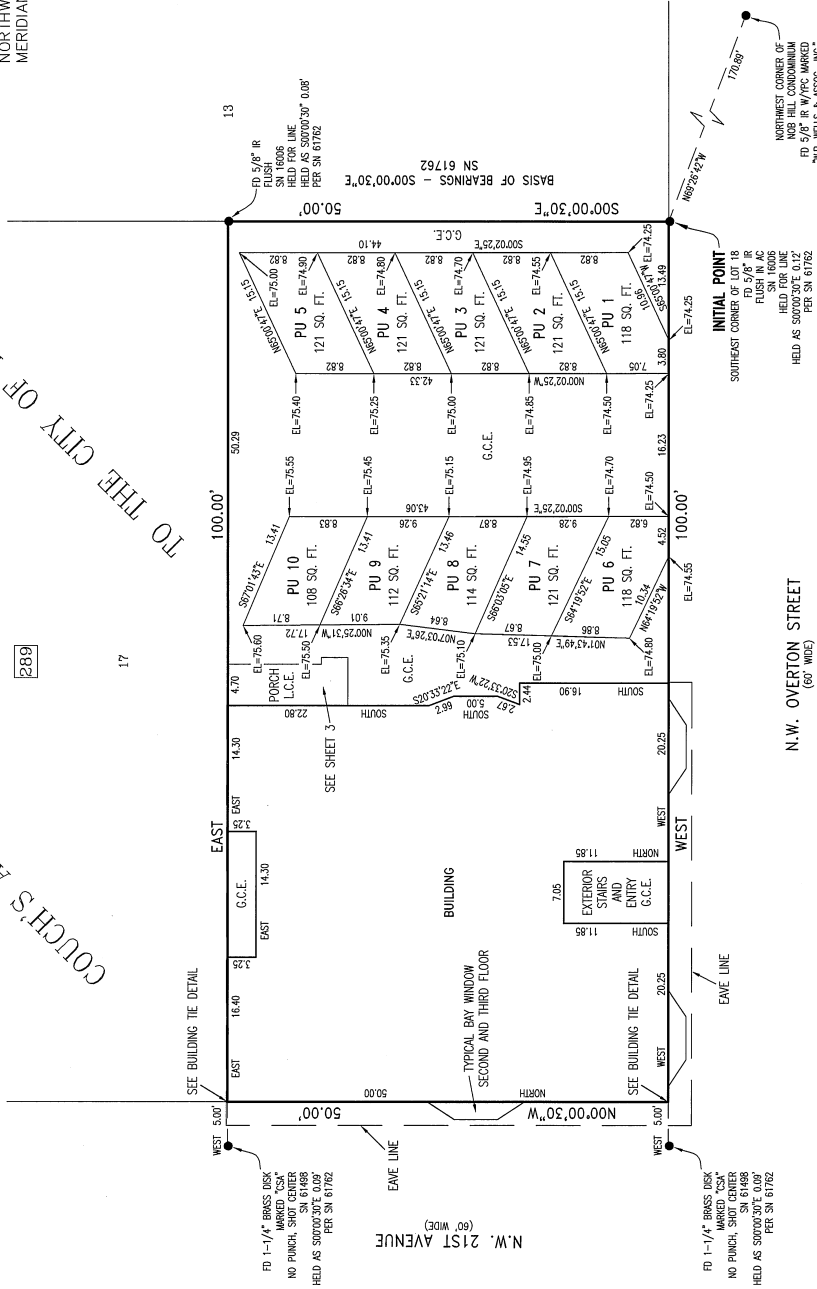
I HEREBY CERTIFY THAT THIS PLAT OR SURVEY WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51645A ON OCE NO. 888342

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



W.B. WELLS and associates, inc.
 ENGINEERS-SURVEYORS-PLANNERS
 4230 NE FREMONT STREET
 PORTLAND, OREGON 97213
 PHONE: (503) 284-5886 FAX: (503) 284-8830
 e-mail address: info@wbwells.com

SHEET 1 OF 4



TO THE CITY OF PORTLAND

COUGH'S ADDITION

289

17

N.W. OVERTON STREET (60' WIDE)

N.W. 21ST AVENUE (60' WIDE)

BUILDING TIE DETAIL NOT TO SCALE

WILLIAM OVERTON CONDOMINIUM

LOT 18, BLOCK 289, COUGH'S ADDITION TO THE CITY OF PORTLAND, SITUATED IN THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON

DATE: JANUARY 28, 2008
 JOB NO. 08-010 P:\08-010\08-010CDD.DWG

LEGEND

- SO. FT. - SQUARE FEET
- CH - CEILING HEIGHT
- FE - FLOOR ELEVATION
- L.C.E. - COMMON ELEMENT
- G.C.E. - GENERAL COMMON ELEMENT
- RU - RESIDENTIAL UNIT



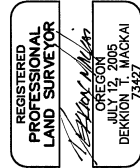
SCALE: 1" = 5'

NOTES

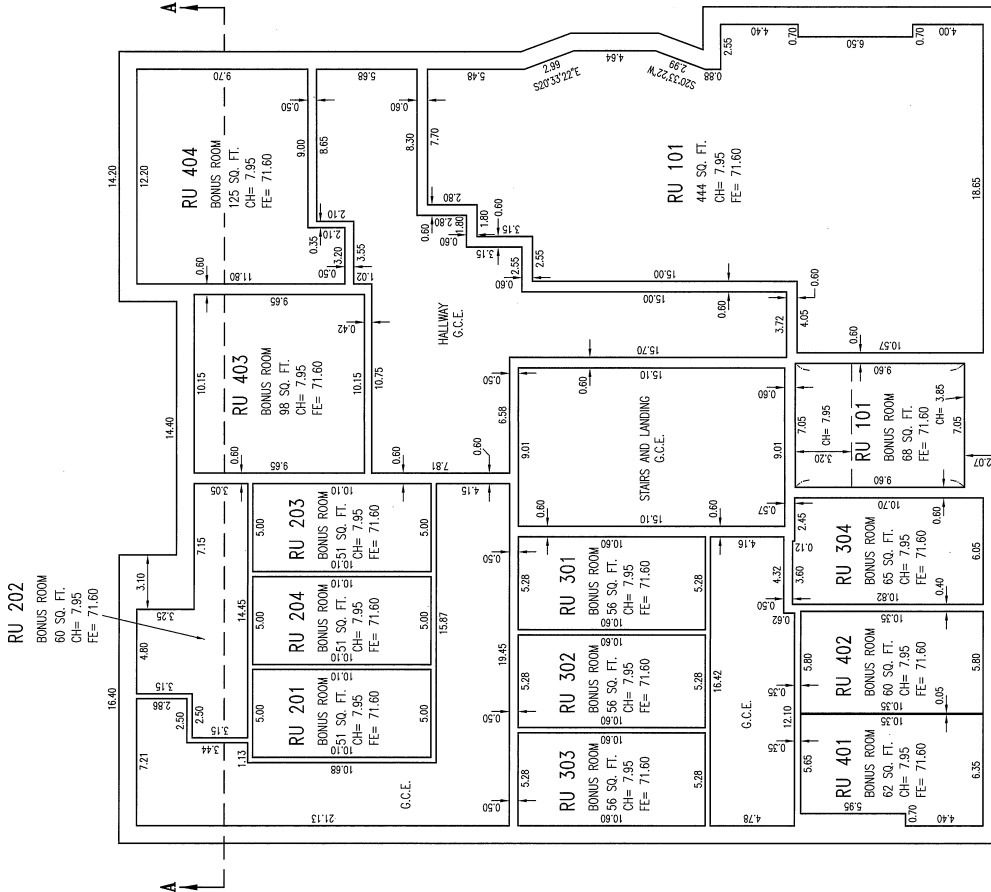
1. BUILDING CORNERS ARE PERPENDICULAR, EXCEPT AS NOTED.
2. ELEVATIONS ARE BASED ON CITY OF PORTLAND BENCHMARK NO. 266. A FOUND 2-1/2" BRASS DISC LOCATED AT THE SOUTHWEST CORNER OF THE INTERSECTION OF NW OVERTON STREET AND N.W. 20TH AVENUE. ELEVATION = 67.114 FEET, CITY OF PORTLAND DATUM.
3. BASEMENT INTERIOR VERTICAL MEASUREMENTS ARE FROM SUBFLOOR TO FINISHED CEILING. BASEMENT INTERIOR HORIZONTAL MEASUREMENTS ARE FROM FACE OF FINISHED WALL. BONUS ROOMS HORIZONTAL MEASUREMENTS ARE FROM FACE OF STUD TO FACE OF STUD. ACTUAL BOUNDARIES OF UNITS ARE THE INTERIOR PERIMETER OF ITS UNFINISHED SURFACES. PER SECTION 5.2 OF THE CONDOMINIUM DECLARATION.

I HEREBY CERTIFY THAT THIS PLAT OR SURVEY WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51645A ON OCE NO. 868342

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



W.B. WELLS and associates, inc.
 ENGINEERS-SURVEYORS-PLANNERS
 4230 NE FREMONT STREET
 PORTLAND, OREGON 97213
 PHONE: (503) 284-5886 FAX: (503) 284-8830
 e-mail address: info@wbwells.com



BASEMENT

INTERIOR WALLS 0.29" WIDE, OR AS NOTED
 EXTERIOR WALLS 1.00" WIDE, OR AS NOTED

LOT 18, BLOCK 289, COUCH'S ADDITION TO THE CITY OF PORTLAND, SITUATED IN THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON

DATE: JANUARY 28, 2008
 JOB NO. 08-010 P:\08-010\08-010CDD.DWG

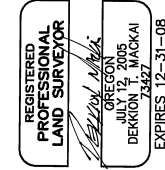


SCALE: 1" = 10'

- LEGEND**
- SO. FT. - SQUARE FEET
 - CH - CEILING HEIGHT
 - FE - FLOOR ELEVATION
 - L.C.E. - LIMITED COMMON ELEMENT
 - G.C.E. - GENERAL COMMON ELEMENT
 - RU - RESIDENTIAL UNIT

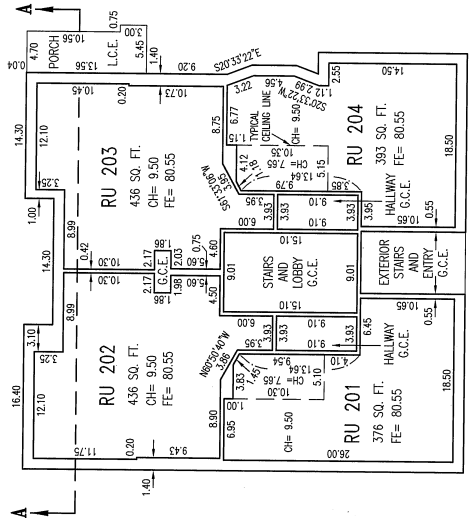
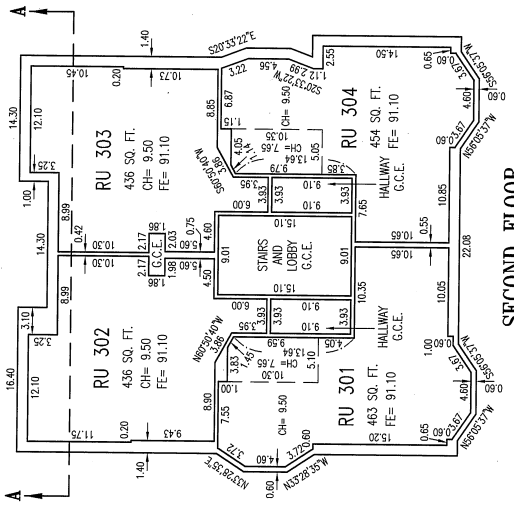
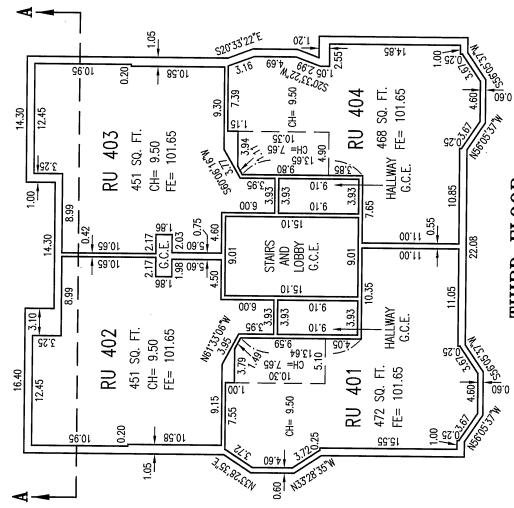
NOTES

1. BUILDING CORNERS ARE PERPENDICULAR, EXCEPT AS NOTED.
2. ELEVATIONS ARE BASED ON CITY OF PORTLAND BENCHMARK NO. 286, A FOUND 2-1/2" BRASS DISC LOCATED AT THE SOUTHWEST CORNER OF THE INTERSECTION OF N.W. OVERTON STREET AND N.W. 20TH AVENUE. ELEVATION = 67.114 FEET, CITY OF PORTLAND DATUM.
3. PORCH IS A LIMITED COMMON ELEMENT AND ASSIGNED IN THE DECLARATION.
4. FIRST, SECOND, AND THIRD FLOOR INTERIOR VERTICAL MEASUREMENTS ARE FROM FINISHED FLOOR TO FINISHED CEILING. FIRST, SECOND, AND THIRD FLOOR INTERIOR HORIZONTAL MEASUREMENTS ARE FROM FINISHED WALL TO FINISHED WALL. ACTUAL BOUNDARIES OF UNITS ARE THE INTERIOR PERIMETER OF ITS UNFINISHED SURFACES, PER SECTION 5.2 OF THE CONDOMINIUM DECLARATION.



W.B. Wells and associates, inc.
 ENGINEERS-SURVEYORS-PLANNERS
 4230 NE FREMONT STREET
 PORTLAND, OREGON 97213
 PHONE: (503) 284-5885 FAX: (503) 284-6630
 e-mail address: info@wbwells.com

SHEET 3 OF 4



UNIT AREA CHART

RESIDENTIAL UNIT	TOTAL UNIT AREA
101	427 SQ. FT.
201	427 SQ. FT.
202	486 SQ. FT.
203	487 SQ. FT.
204	444 SQ. FT.
301	519 SQ. FT.
302	469 SQ. FT.
303	469 SQ. FT.
304	519 SQ. FT.
401	534 SQ. FT.
402	511 SQ. FT.
403	549 SQ. FT.
404	599 SQ. FT.

SECTION A-A

FLOOR	UNIT	FE	CH	FE
THIRD FLOOR	RU 402	9.50	9.50	101.65
	RU 403	9.50	9.50	101.65
	RU 404	9.50	9.50	101.65
	HALLWAY	9.50	9.50	101.65
SECOND FLOOR	RU 302	9.50	9.50	91.10
	RU 303	9.50	9.50	91.10
	RU 304	9.50	9.50	91.10
	HALLWAY	9.50	9.50	91.10
FIRST FLOOR	RU 202	1.05	9.50	80.55
	RU 203	1.05	9.50	80.55
	RU 204	1.05	9.50	80.55
	HALLWAY	1.05	9.50	80.55
BASEMENT	G.C.E.	7.95	7.95	71.60
	RU 202	7.95	7.95	71.60
	RU 203	7.95	7.95	71.60
	RU 204	7.95	7.95	71.60

SECTION A-A

LOT 18, BLOCK 289, COUGH'S ADDITION TO THE CITY OF PORTLAND, SITUATED IN THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON

DATE: JANUARY 28, 2008
 JOB NO. 08-010 P:\08-010\08-010CDD.DWG

SURVEYOR'S CERTIFICATE

I, DEKKON T. MACKAI, CERTIFY THAT I HAVE CORRECTLY SURVEYED AND MARKED WITH PROPER MONUMENTS THE LAND REPRESENTED ON THE ANNEXED MAP OF "WILLIAM OVERTON CONDOMINIUM", SAID LAND BEING DESCRIBED AS FOLLOWS:

LOT 18, BLOCK 289 OF THE PLAT OF "COUGH'S ADDITION TO THE CITY OF PORTLAND", MULTNOMAH COUNTY PLAT RECORDS, SITUATED IN THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 NORTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, STATE OF OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

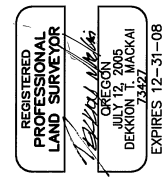
COMMENCING AT A 5/8" IRON ROD WITH A YELLOW PLASTIC CAP INSCRIBED "W.B. WELLS & ASSOC., INC." FOUND AT THE NORTHWEST CORNER OF "NOB HILL CONDOMINIUM", MULTNOMAH COUNTY PLAT RECORDS; THENCE NORTH 69°26'42" WEST, A DISTANCE OF 170.89 FEET TO THE SOUTHEAST CORNER OF SAID LOT 18 AND THE INITIAL POINT, SAID POINT BEING REFERENCED BY A FOUND 5/8" IRON ROD, WHICH BEARS SOUTH 07°00'30" EAST 0.12 FEET; THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 18 AND THE NORTH RIGHT-OF-WAY LINE OF N.W. OVERTON STREET (60 FEET WIDE), A DISTANCE OF 100.00 FEET TO THE SOUTHWEST CORNER OF SAID LOT 18 AND THE EAST RIGHT-OF-WAY LINE OF N.W. 21ST AVENUE (60 FEET WIDE); THENCE NORTH 07°00'30" WEST ALONG SAID EAST RIGHT-OF-WAY LINE AND THE WEST LINE OF SAID LOT 18, A DISTANCE OF 50.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 18; THENCE EAST ALONG THE NORTH LINE OF SAID LOT 18, A DISTANCE OF 100.00 FEET TO THE NORTHEAST CORNER THEREOF; THENCE SOUTH 07°00'30" EAST ALONG THE EAST LINE OF SAID LOT 18, A DISTANCE OF 50.00 FEET TO THE INITIAL POINT.

CONTAINING 5,000 SQUARE FEET.

TOGETHER WITH THOSE PORTIONS OF THE BUILDING WITHIN STREET RIGHTS-OF-WAY ALLOWED BY SECTION 3202.2.2 OF THE INTERNATIONAL BUILDING CODE, ALSO TOGETHER WITH THOSE PORTIONS OF THE BUILDING WITHIN STREET RIGHTS-OF-WAY ALLOWED BY SECTION 3202.3.2 OF THE INTERNATIONAL BUILDING CODE.

CERTIFICATE OF COMPLETION

I, DEKKON T. MACKAI, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE PLAT OF "WILLIAM OVERTON CONDOMINIUM" FULLY AND ACCURATELY DEPICTS THE BOUNDARIES OF THE UNITS OF THE BUILDING AND THAT THE CONSTRUCTION OF THE UNITS AND BUILDING AS DEPICTED ON THE PLAT WAS COMPLETED AS OF MARCH 11, 2005.



I HEREBY CERTIFY THAT THIS PLAT OR SURVEY WAS PREPARED USING HEWLETT-PACKARD PRODUCT NO. 51645A ON OCE NO. 868342

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

NARRATIVE

THE PURPOSE OF THIS SURVEY IS TO CREATE A CONDOMINIUM PLAT OF LOT 18, BLOCK 289, "COUGH'S ADDITION TO THE CITY OF PORTLAND".

MONUMENTS SHOWN AS FOUND WERE TIED FROM A RANDOM TRAVERSE ON JANUARY 15, 2008.

THE BOUNDARY WAS HELD AS ESTABLISHED IN OUR PREVIOUS SURVEY FILED AS SURVEY NUMBER 61762, MULTNOMAH COUNTY SURVEY RECORDS.

DECLARATION

KNOW ALL PEOPLE BY THESE PRESENTS THAT SAVER PARTNERS, LLC, AN OREGON LIMITED LIABILITY COMPANY, OWNER OF THE LAND DESCRIBED HEREON, HEREBY DECLARES THE ANNEXED MAP OF "WILLIAM OVERTON CONDOMINIUM", AS DESCRIBED IN THE ACCOMPANYING SURVEYOR'S CERTIFICATE, TO BE A TRUE AND CORRECT MAP AND PLAT THEREOF, AND HEREBY COMMITS SAID LAND TO THE OPERATION OF THE OREGON CONDOMINIUM ACT AS Laid OUT IN CHAPTER 100 OF THE OREGON REVISED STATUTES. THE PROPERTY AND IMPROVEMENTS DESCRIBED AND DEPICTED ON THE PLAT ARE SUBJECT TO THE PROVISIONS OF THE OREGON REVISED STATUTES 100.005 TO 100.025.

SAVER PARTNERS, LLC
 AN OREGON LIMITED LIABILITY COMPANY
 BY: [Signature]
 TED WATSON, MANAGER

APPROVALS

APPROVED THIS 15th DAY OF February, 2008
 COUNTY SURVEYOR, MULTNOMAH COUNTY, OREGON
 BY: [Signature]
 STATE OF OREGON) SS
 COUNTY OF MULTNOMAH)
 I DO HEREBY CERTIFY THAT THE ATTACHED CONDOMINIUM PLAT WAS RECEIVED FOR RECORD AND RECORDED
February 11, 2008, at 9:52 AM
 IN BOOK 1292, ON PAGES 72-75
 COUNTY RECORDING OFFICE
 BY: [Signature]
 DEPUTY

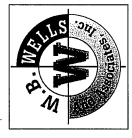
ALL TAXES, FEES, ASSESSMENTS OR OTHER CHARGES AS PROVIDED BY O.R.S. 100.110 HAVE BEEN PAID AS OF 02/19, 2008
 DIRECTOR'S DIVISION OF ASSESSMENT AND TAXATION
 BY: [Signature]
 DEPUTY

ACKNOWLEDGMENT

STATE OF OREGON) SS
 COUNTY OF MULTNOMAH)
 THIS IS TO CERTIFY THAT ON THIS 8th DAY OF February, 2008, BEFORE ME, A NOTARY PUBLIC IN AND FOR SAID STATE AND COUNTY, PERSONALLY APPEARED TED WATSON, MANAGER OF SAVER PARTNERS, LLC, AN OREGON LIMITED LIABILITY COMPANY WHO DID SAY THAT HE IS THE IDENTICAL PERSON NAMED IN THE FOREGOING DECLARATION, AND THAT SAID DECLARATION WAS EXECUTED ON BEHALF OF SAVER PARTNERS, LLC, AND THAT HE EXECUTED SAID DECLARATION FREELY AND VOLUNTARILY.

NOTARY SIGNATURE [Signature]
 NOTARY PUBLIC - OREGON
 COMMISSION NO. 419532
 MY COMMISSION EXPIRES July 28, 2011

DOCUMENT NO. 2008-025990



W.B. WELLS and associates, inc.
 ENGINEERS-SURVEYORS-PLANNERS
 4230 NE FREMONT STREET
 PORTLAND, OREGON 97213
 PHONE (503) 284-5868 FAX (503) 284-8830
 e-mail address: info@wbwells.com



MULTNOMAH COUNTY OREGON

Division of Assessment & Taxation
501 SE Hawthorne #158
Portland OR 97214
Recording Section (503) 988-3034

Multnomah County Official Records
Cindy Swick, Deputy Clerk

2008-025991



\$271.00

00279499200800259910510515

02/21/2008 09:52:23 AM

1R-CONDODEC
\$255.00 \$11.00 \$5.00

Cnt=1 Stn=11 RECCASH2

Ret:

Ted Watson Mgr

Sayer Partners LLC

3520 Riverknoll Way

West Linn, OR 97068

**THIS PAGE IS A PART OF THE OFFICIAL DOCUMENT
PLEASE DO NOT REMOVE**

After recording, return to:
Ted Watson, manager of Sayer Partners, LLC
3520 Riverknoll Way
West Linn OR 97068

**DECLARATION SUBMITTING
WILLIAM OVERTON CONDOMINIUM
TO CONDOMINIUM OWNERSHIP**

THIS DECLARATION is made and executed by Sayer Partners, LLC, hereinafter called "Declarant."

Declarant desires to create a condominium to be known as William Overton Condominium, which will be located in the City of Portland, Multnomah County, Oregon. The purpose of this declaration is to submit the property to the condominium form of ownership and use in the manner provided by the Oregon Condominium Act.

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

1. DEFINITIONS. When used herein the following terms shall have the following meanings:

1.1 "Act" means the Oregon Condominium Act.

1.2 "Association" means the Association of Unit Owners of William Overton Condominium.

1.3 "Board of Directors" means the directors selected pursuant to the provisions of this declaration and the bylaws to govern the affairs of the Association.

1.4 "Bylaws" means the bylaws of the Association adopted as provided herein, as the same may be amended from time to time.

1.5 "Declarant" means Sayer Partners, LLC.

1.6 "Plat" means the plat of William Overton Condominium, recorded simultaneously with the recording of this declaration.

1.7 "Unit" means a residential unit or a parking unit; "unit owner" means the owner of a residential unit or a parking unit; unless the context clearly indicates otherwise, "unit owners" means the owners of residential units and parking units; "parking unit" means a parking unit; "parking unit owner" means the owner of a parking unit; "residential unit" means a residential unit; "residential unit owner" means the owner of a residential unit.

1.8 "Incorporation by Reference." Except as otherwise provided in this declaration, each of the terms used herein shall have the meaning set forth in ORS 100.005, a part of the Act.

2. PROPERTY SUBMITTED. Declarant owns a fee simple interest in the land and is submitting a fee simple interest in the land herein. It is located in the City of Portland, Multnomah County, Oregon, and is more particularly described in Exhibit A attached hereto. The property submitted hereunder includes the land so described, all buildings, improvements and

structures thereon, and all easements and appurtenances appertaining or belonging thereto.

3. NAME. The name by which the property submitted hereunder shall be known is "William Overton Condominium."

4. GENERAL DESCRIPTION OF BUILDING. The condominium consists of one building. The building has three floors (referred to herein as first floor, second floor, and third floor); and the building has a basement. The building construction consists of a brick masonry exterior shell with a wood framed interior, a concrete foundation/basement, and built-up roof; the brick exterior has painted metal and wood trim.

5. UNITS.

5.1 General Description of Residential Units and Parking Units. There are thirteen residential units. The residential units are designated Residential Unit 101, Residential Unit 201, Residential Unit 202, Residential Unit 203, Residential Unit 204, Residential Unit 301, Residential Unit 302, Residential Unit 303, Residential Unit 304, Residential Unit 401, Residential Unit 402, Residential Unit 403, and Residential Unit 404. Residential Unit 101 is located in the basement; Residential Unit 201 through Residential Unit 204 are located on the first floor; Residential Unit 301 through Residential Unit 304 are located on the second floor, and Residential Unit 401 through Residential Unit 404 are located on the third floor. In addition to the foregoing, each residential unit includes a bonus room in the basement of the building.

There are ten parking units. The parking units are designated Parking Unit 1 through Parking Unit 10. The parking units are located on a surface parking area adjacent to the building; the parking area (including the accesses to it from the street) is referred to herein as the "parking lot". The parking lot is constructed of asphalt. The trash collection area is also located in the parking lot.

Each residential unit and each parking unit encloses the square footage set forth on Exhibit B. The dimensions, designation, and location of each residential unit and parking unit are shown in the plat filed simultaneously herewith and made a part of this declaration as if fully set forth herein.

Notice

The square footage areas stated in Exhibit B of this declaration and in the plat are based on the boundaries of the units as described in this declaration and may vary from the area of units calculated for other purposes.

5.2 Boundaries of Residential Units and Parking Units. Each residential unit shall be bounded by the unfinished surfaces of the perimeter walls, floors and ceilings. All interior partitions and walls wholly within the residential unit shall be part of the unit whether they are bearing or nonbearing; provided, however, that residential unit owners shall not remove, damage, or weaken

bearing walls or bearing partitions within the residential unit. All paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces of the walls, ceilings, and floors shall be a part of the residential unit. The residential unit shall include glazing and screening of windows, as well as the interior window sills, (but not the windows or window frames), glazing and screening of unit access doors (but not unit access doors themselves) interior doors, air space thus enclosed, and all appliances, fixtures, and improvements contained therein. With respect to fireplaces, all portions of the fireplace shall be part of the residential unit, except for the flues and chimneys which shall be general common elements.

All other portions of the walls, floors, or ceilings that are not included within the residential unit boundaries described above shall be part of the common elements. In addition, each residential unit shall include the outlet of any utility service lines, including but not limited to water, sewerage, gas, electricity, coaxial cable, and ventilating ducts within the residential unit, but shall not include any part of such lines or ducts themselves.

Each parking unit shall be bounded at the bottom by a horizontal plane, whose dimensions are shown on the plat; the horizontal plane is located on the asphalt surface of the parking lot. On all four sides it is bounded by vertical planes situated at the outermost edges of the horizontal plane, which vertical planes shall be deemed to extend upward from the horizontal plane a distance of 14 feet; and at the top it is bounded by a horizontal plane that is 14 feet above the bottom horizontal plane.

5.3 Use of Residential Units and Parking Units. The residential units shall be occupied and used by the respective residential unit owners only for residential purposes for the owner, family, tenant and social guests and for no other purposes. The owners of the residential units shall have the right to lease or rent the residential unit; provided, that any such lease or rental agreement shall be subject to the covenants and restrictions contained in this declaration, the bylaws, and the rules and regulations of the Association.

The parking units shall be used for the parking of operable automobiles, light trucks, motorcycles, and motor scooters, each of which must fit entirely within the boundaries of the parking unit with room for the driver to exit the vehicle. The owners of the parking units shall have the right to lease or rent the parking unit; provided, that any such lease or rental agreement shall be subject to the covenants and restrictions contained in this declaration, the bylaws, and the rules and regulations of the Association. The owners of parking units shall not construct any structures or other similar improvements on the parking units.

6. COMMON ELEMENTS.

6.1 General Common Elements. The general common elements consist of the following, to the extent they exist on the property, and except as portions thereof are expressly designated in this declaration as part of a residential unit, a parking unit, or limited common element:

- (a) The land, landscaping, grounds, fences, trash area, sidewalks, retaining walls, walkways, exterior steps and landings, and parking lot;
- (b) The foundation, flues and chimneys, columns, girders, beams, supports, bearing and shear walls, perimeter walls, main walls, unit access doors, windows

and window frames, and roof of the building;

(c) The building's covered foyer, lobby, interior stairs and landings, and basement areas (except for the bonus rooms and Unit 101);

(d) Installations of central services (if any), such as electricity, gas, hot and cold water, heating, and air conditioning, up to the outlets within any residential unit;

(e) The installations, if any, existing for common use; and

(f) All other elements of the condominium necessary or convenient to its existence, maintenance, and safety, or normally in common use.

6.2 Limited Common Elements. The use of a limited common element is restricted to the residential unit to which it is assigned or reserved. The limited common elements appertain to the residential units to which they are assigned. The more specific locations of the limited common elements are shown on the plat.

To Residential Unit 203 is reserved a porch adjacent to the unit.

6.3 Undivided Interest in Common Elements. To each parking unit is allocated an undivided .25 percent (.25%) ownership interest in the common elements. To each residential unit is allocated an undivided 7.5 percent (7.5%) interest in the common elements. The allocation is based on a method which allocates a small interest to parking units and a large interest to residential units. The undivided interest of each parking unit and each residential unit shall be deemed to be conveyed or encumbered with conveyance of said parking unit or residential unit, even though the description in the instrument of conveyance or encumbrance may refer only to title in the parking unit or residential unit.

6.4 Use of Common Elements. No person shall use the common elements or any part thereof in any manner contrary to or not in accordance with this declaration, the bylaws or such rules and regulations pertaining thereto which from time to time may be promulgated by the Board of Directors.

6.5 Maintenance, Repair, and Replacement. Except to the extent it is imposed on the owners of residential units or parking units by this declaration or the bylaws, the necessary work to maintain, repair or replace the common elements shall be the responsibility of the Board of Directors of the Association and shall be carried out as provided in the bylaws. Nothing herein, however, shall be construed so as to preclude the Board of Directors from delegating such duties to individuals or entities.

7. COMMON PROFITS AND COMMON EXPENSES. The common profits shall be allocated equally among the residential unit owners (1/13th for each residential units); however, profits shall not be distributed among the unit owners but shall be used solely for purposes of maintaining, repairing, and replacing the building's common elements or other expenses of the Association for which the residential unit owners are assessed. The common expenses shall be assessed equally among the residential unit owners (1/13th each); however, owners of residential units and/or parking units may be assessed additional amounts individually for common expenses incurred through such owner's fault or direction or as otherwise provided in the bylaws. Notwithstanding that

no fractional common profits or common expenses are allocated to the parking units, all expenses which relate to the maintenance, repair, and replacement, (as well as the reserves therefore) of the parking units and parking lot shall be equally allocated and assessed solely to the owners of parking units, as further described in the bylaws. The owners of parking units shall not be assessed for any capital improvements except for capital improvements, if any, of the parking lot, which shall be assessed only to the owners of parking units. The methodology separates out the costs of maintenance, repair, replacement, and reserves of the parking lot and parking units and allocates those expenses solely to the parking units. All other common expenses of the condominium are allocated to the residential units, and all common profits are used to defray those common expenses.

8. 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 has been filed with the Oregon Real Estate Agency in accordance with the Act.

9. EASEMENTS, ENCROACHMENTS, ASSIGNMENTS, ETC.

9.1 Right of Access. The Association, through its Board of Directors, shall have the right to have access to each residential unit and parking unit as may be necessary for the maintenance, repair or replacement of the common elements, or to make emergency repairs therein necessary for the public safety or to prevent damage to the common elements or to another residential unit or parking unit. Without limiting the foregoing, the Association shall have access through the residential units and parking units and limited common elements to any crawl space, attic, pipes, conduits, and other similar portions of the general common elements. The Board of Directors shall provide the applicable residential unit owner with 24 hours prior notice before entering a residential unit, except in case of an emergency; no notice to parking unit owners need be given before the Board enters a parking unit. In case of an emergency originating in or threatening his residential unit, or other portion of the condominium, each residential unit owner hereby grants the right of entry to any person authorized by the Board of Directors, whether or not the owner is present at the time. Each residential unit owner shall, upon request, leave a key to his residential unit with the Board of Directors to be used in such emergencies; the Board may allow the property manager to have access to the keys for emergency use.

9.2 Encroachments. Each residential unit and parking unit and all common elements shall have an easement over all adjoining residential units and parking 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 residential units and parking units and common elements so long as the encroachments shall exist, and except as otherwise provided in the Act the rights and obligations of unit owners shall not be altered in any way by the encroachment, nor shall the encroachments be construed to be encumbrances affecting the marketability of title to any residential unit or parking unit.

9.3 Granting of Interest Affecting Common Elements. The Association shall have the authority to grant, execute, acknowledge, deliver, and record on behalf of the owners leases, easements, rights of way, licenses or other similar interests affecting the general and limited common elements, and to consent to vacation of roadways within and adjacent to the condominium, pursuant to ORS 100.405(5), (6), (7), and (8).

9.4 Utility Easement. Each unit shall have an easement through each other residential unit and parking unit and through the common elements for utility, wiring, heat, plumbing and other service elements. Any unit owner utilizing the foregoing easement shall promptly repair all damage to the common elements or other units caused by such use.

10. VOTING RIGHTS. The owner or co-owners of each residential unit shall be entitled to a total of one vote for the residential unit. The owner or co-owners of each parking unit shall not be entitled to any vote for the parking unit. However, as provided in the bylaws, the owner of a parking unit (who may also own a residential unit) shall always be elected to at least one directorship on the Board of Directors of the Association.

11. ASSOCIATION OF RESIDENTIAL AND PARKING UNIT OWNERS.

11.1 Organization; Adoption of Bylaws. Upon the execution and recording of this declaration, the Association 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. Declarant shall simultaneously adopt and record bylaws for the Association.

11.2 Membership; Board of Directors. Each residential unit owner and each parking unit owner shall be a member of the Association, and membership therein shall be limited to owners only. The affairs of the Association shall be governed by a Board of Directors as provided in the bylaws. The Board of Directors may act on behalf of the Association except as limited by the declaration or bylaws. In the performance of their duties, officers and members of the Board of Directors shall be governed by the Act and by ORS 65.357, 65.361, 65.367, 65.369 and 65.377 which set forth standards of conduct of directors and officers, provisions on director conflict of interest, and provisions on liability of directors for unlawful distributions and for performance or nonperformance of duties.

11.3 Power and Duties of the Association. The Association shall have such powers and duties as may be granted to it by the Oregon Condominium Act, together with such additional powers and duties contained in this declaration and the bylaws.

11.4 Declarant Control of Association; Interim Board of Directors. Declarant will appoint an interim Board of Directors for the Association. Declarant hereby reserves the right to control the Association until the earlier of a) the date of conveyance to persons other than Declarant of seventy five percent (75%) of the residential units and parking units, or b) three years from the date the first residential unit or parking unit is conveyed. Accordingly, upon the recording of the declaration and bylaws, the interim Board of Directors shall serve until the turnover meeting is held as provided in the bylaws.

11.5 Management Agreements, Contracts, and Leases. The Board of Directors, including the interim Board of Directors, shall have the right to contract with a professional manager or management firm to manage the affairs of the Association. However, if entered into prior to the turnover meeting of the condominium, no management agreement, service contract or employment contract which is directly made by or on behalf of the Association, the Board of Directors, or the owners of residential and parking units as a group shall be in excess of three years and may be terminated without penalty by the Association or the Board of Directors upon not less than thirty (30) days written notice to the other party given not later than sixty (60) days after the

turnover meeting.

12. MORTGAGEES.

12.1 Definitions. As used herein, the following terms shall have the following meanings:

(a) "Mortgage" means a recorded mortgage or trust deed creating a lien against a unit or the seller's interest in a recorded land sale contract; and

(b) "Mortgagee" means any person who is a mortgagee under a mortgage; a beneficiary under a trust deed; or a vendor under a land sale contract; and

(c) "Eligible mortgage holder" means a holder of a first mortgage on a unit who has requested notice of certain matters from the Association in accordance with Section 12.3 below.

12.2 Notice to Association. At the request of the Board of Directors, each owner shall promptly supply to the Board the name and address of the mortgagee or mortgagees of his unit.

12.3 Notice to a Holder, Insurer, or Guarantor of a Mortgage. A holder, insurer, or guarantor of a mortgage on a unit, who submits a written request to the Association stating the name and address of the holder, insurer, or guarantor and the unit number or address of the mortgaged unit shall be entitled to timely written notice of the following:

(a) Any condemnation or casualty loss that affects either a material portion of the condominium or the unit securing its mortgage;

(b) Any sixty-day (60-day) delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage;

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

(d) Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

12.4 Consent to Termination of the Condominium. 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 eligible mortgage holders representing at least two thirds of the votes of units that are subject to mortgages held by eligible mortgage holders. This approval shall be in addition to such other approvals and procedures as may be required by the declaration, bylaws, and Act.

12.5 Consent to Amendment of Documents. Except as otherwise provided in the Act, the approval of eligible mortgage holders representing at least fifty-one percent (51%) of the votes of units that are subject to mortgages held by eligible mortgage holders shall be required for any amendments of a material nature to the declaration or bylaws. Any amendment to the declaration or bylaws which changes any of the following would be considered as material:

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

This approval shall be in addition to such other approvals and procedures as may be required by the declaration, bylaws, and Act.

12.6 Request for Approval of Eligible Mortgage Holders. Any eligible mortgage holder or other mortgagee who receives a written request to approve additions or amendments to the declaration, bylaws, or other action to be taken by the Board of Directors, Association, or unit owners, shall be deemed to have given such approval unless a negative response is delivered or posted to the requesting party within sixty (60) days after such request has been received, provided that the written request was delivered by certified mail with "return receipt requested."

12.7 Mortgagee's Request for Professional Management. Upon written request of eligible mortgage holders representing at least fifty-one percent (51%) of the votes of units that are subject to mortgages held by eligible mortgage holders, the Board of Directors shall employ a professional manager to manage the affairs of the Association. Any agreement for professional management shall be consistent with Section 11.5.

12.8 Discharge of Lien Upon Foreclosure. Where the purchaser of a residential unit or parking unit obtains title to such a unit as a result of foreclosure by a first mortgagee, such purchaser, his successors and assigns, shall not be liable for any of the assessments against such residential unit or parking unit or its owner which became due prior to the acquisition of title to such residential unit or parking unit by such purchaser. Such unpaid assessments shall be a common expense of all the residential unit owners including such purchaser, his successors and assigns.

12.9 Right to Receive Written Notice of Meetings. A first mortgagee shall, upon written request to the Association, be entitled to receive notice of all meetings of the Association and shall be entitled to designate a representative to attend all such meetings.

12.10 Additional Approvals. Unless fifty-one percent (51%) of holders of first mortgages of individual units have given their prior written approval, the Association shall not:

- (a) Change the pro rata interest or obligations of any unit for (1) purposes of levying assessments or charges or allocating distribution of hazard insurance proceeds or condemnation awards, and (2) determining the pro rata share of ownership of each unit in the common elements;
- (b) Partition or subdivide any unit;
- (c) By act or omission, seek to abandon or terminate the condominium status of the project except as provided by statutes in case of substantial loss to the units and common elements of the condominium project;
- (d) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer the common elements. The granting of easements for public utilities or other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause; or
- (e) Use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute and the bylaws in case of substantial loss to the units and/or common elements of the condominium project.

12.11 Right to Examine Books and Records. All mortgagees (including insurers and guarantors of mortgages) shall have the right to examine the books and records (including the declaration, bylaws, rules, and regulations and financial statements) of the Association upon written request. Such books and records shall be available for duplication at reasonable times; a mortgagee shall be entitled to have an audited financial statement prepared at his own expense if such audited statement is not otherwise available; the Association, its Board of Directors and its officers shall cooperate to facilitate the necessary auditing and review process.

13. AMENDMENT.

13.1 Approval Required. An amendment to the declaration may be proposed by a majority of the Board of Directors or by at least 30 percent of the residential unit owners. Except as may otherwise be provided in this declaration or by the Act, including ORS 100.135, the declaration may be amended if such amendment is approved by seventy-five percent (75%) or more of all votes of the residential unit owners. An amendment may not change the allocation of undivided interest in the common elements, the method of determining liability for common expenses, the method of determining the right to common profits, or the method of determining the voting rights of any parking unit or residential unit unless such amendment has been approved by the owners of the affected residential unit or parking units and the holders of any mortgage or trust deed on such residential unit or parking unit. No amendment may limit or diminish any right of Declarant reserved in accordance with the Act or any other special declarant right without the consent of Declarant. No amendment may reduce or eliminate the rights of first mortgagees set forth herein without the written consent of fifty-one percent (51%) of all such first mortgagees. No amendment may adversely affect the rights of the owners of parking units in Section 5.3 unless the owners of seventy-five percent of the parking units have approved the amendment in writing and seventy-five percent or more of all votes of the residential unit owners has approved such amendment.

13.2 Recordation. The amendment shall be certified by the chairperson and secretary of the Association as being adopted in accordance with the declaration and the provisions of ORS 100.005 to 100.910 and 100.990, and shall be acknowledged in the manner provided for acknowledgment of deeds. If required by the Act, the amendment shall be approved by the Real Estate Commissioner and county assessor according to ORS 100.110. The amendment shall be effective when recorded in the Deed Records of Multnomah County; if the amendment is not recorded within two years from the date of approval by the Real Estate Commissioner, the approval shall automatically expire and the amendment must be resubmitted for approval.

13.3 Restated Declaration. The Board of Directors, by resolution and without the further approval of the unit owners, may cause a restated declaration to be prepared and recorded to codify individual amendments that have been adopted in accordance with this Section 13, so long as the restated declaration complies with ORS 100.135.

14. DECLARANT'S RIGHTS.

Notwithstanding any provision to the contrary in this declaration or the bylaws, Declarant shall have the following special rights:

14.1 Amendment to Declaration and Bylaws. No amendment to the declaration and bylaws shall be effective without the written consent of Declarant until the earlier of the following dates: (a) five (5) years from the date this declaration is recorded, or (b) the date on which seventy-five percent (75%) of the residential units and parking units have been conveyed to persons other than Declarant.

14.2 Assessments for Additional Capital Improvements. No residential units or parking units owned by Declarant shall be assessed by the Association or the Board of Directors for the construction or acquisition of additional capital improvements or any other special assessment without the written consent of Declarant until the earlier of the following dates: (a) five (5) years from the date this declaration is recorded, or (b) the date on which Declarant owns less than two

residential units or parking units.

14.3 Development Easement. Declarant and its agents shall have an easement over and upon the common elements as may be reasonably necessary for the purpose of completing any portion of the condominium, discharging any obligation of Declarant (including any obligation to a unit purchaser), and/or carrying out sales and rentals of residential units and parking units and advertisements thereof, including posting signs on the property. Declarant shall have the right to use residential units owned by Declarant as model units, and shall have the right to use a unit as a sales office.

14.4 Other. Declarant shall be entitled to any and all other special declarant rights, in addition to those specified herein, that are reserved for the benefit of or created by the Declarant under the declaration, bylaws, or the provisions of the Act.

15. SEVERABILITY.

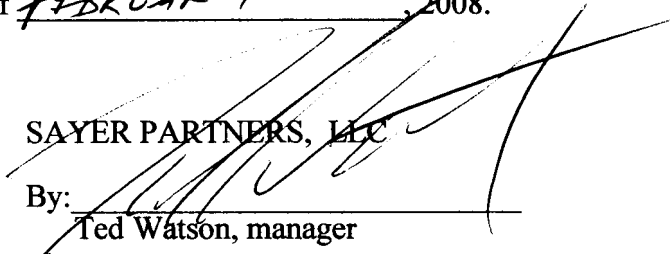
Should any of the provisions herein conflict with the provisions of the Act, the statutory provisions shall apply. Each provision of this declaration and the bylaws shall be deemed independent and severable, and the validity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision of this declaration or the bylaws.

16. CONFLICTING PROVISIONS.

In the event of a conflict between or among the declaration, bylaws, and any administrative rules and regulations, the provisions of the declaration shall be paramount to the bylaws and the rules and regulations, and the bylaws shall be paramount to the rules and regulations, except to the extent that the declaration or bylaws are inconsistent with the Act. For purposes of this section, the term "declaration" shall include all amendments and the term "bylaws" shall include all amendments.

IN WITNESS WHEREOF, Declarant has caused this declaration to be executed this 11TH day of FEBRUAR, 2008.

SAYER PARTNERS, LLC

By: 
Ted Watson, manager

State of Oregon)

County of Multnomah) ss.

On this 11th day of February, 2008, before me personally appeared Ted Watson who, being duly sworn, did say that he is the manager of SAYER PARTNERS, LLC, an Oregon limited liability company, and did further say that he executed the foregoing instrument for and on behalf of said limited liability company, and acknowledged that said instrument is the free act and deed of himself and said limited liability company.

Darlene R Steinbach
Notary Public for Oregon
My Commission expires: 2/6/11

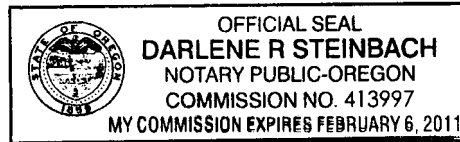


EXHIBIT A

Lot 18, Block 289 of the plat of "COUCH'S ADDITION TO THE CITY OF PORTLAND", Multnomah County plat records, situated in the Northwest quarter of Section 33, Township 1 North, Range 1 East, Willamette Meridian, City of Portland, Multnomah County, State of Oregon, being more particularly described as follows:

Commencing at a 5/8 inch iron rod with a yellow plastic cap inscribed "W.B. Wells & Assoc., Inc." found at the Northwest corner of "Nob Hill Condominium", Multnomah County plat records; thence North 69 degrees 26 minutes 42 seconds West, a distance of 170.89 feet to the Southeast corner of said Lot 18 and the initial point, said point being referenced by a found 5/8 inch iron rod, which bears South 00 degrees 00 minutes 30 seconds East 0.12 feet; thence West along the South line of said Lot 18 and the North right-of-way line of N.W. Overton Street (60 feet wide), a distance of 100.00 feet to the Southwest corner of said Lot 18 and the East right-of-way line of N.W. 21st Avenue (60 feet wide); thence North 00 degrees 00 minutes 30 seconds West along said East right-of-way line and the West line of said Lot 18, a distance of 50.00 feet to the Northwest corner of said Lot 18; thence East along the North line of said Lot 18, a distance of 100.00 feet to the Northeast corner thereof; thence South 00 degrees 00 minutes 30 seconds East along the East line of said Lot 18, a distance of 50.00 feet to the initial point.

Subject to and Together With:

1. The recorded declaration, bylaws, and plat of William Overton Condominium, and matters disclosed therein.

EXHIBIT B

(square footage of residential units and parking units)

Residential Unit 101 = 512

Residential Unit 201 = 427

Residential Unit 202 = 496

Residential Unit 203 = 487

Residential Unit 204 = 444

Residential Unit 301 = 519

Residential Unit 302 = 492

Residential Unit 303 = 492

Residential Unit 304 = 519

Residential Unit 401 = 534

Residential Unit 402 = 511

Residential Unit 403 = 549

Residential Unit 404 = 593

Parking Unit 1 = 118

Parking Unit 2 = 121

Parking Unit 3 = 121

Parking Unit 4 = 121

Parking Unit 5 = 121

Parking Unit 6 = 118

Parking Unit 7 = 121

Parking Unit 8 = 114

Parking Unit 9 = 112

Parking Unit 10 = 108

The foregoing declaration is approved this 19th day of FEBRUARY, 2008.

By [Signature]
Assessor and Tax Collector for Multnomah County

The foregoing declaration is approved pursuant to ORS 100.110 this 13th day of February 2008, and in accordance with ORS 100.110(7), this approval shall automatically expire if this declaration is not recorded within two (2) years from this date.

Gene Bentley
Real Estate Commissioner

By: [Signature]

After recording, return to:
Ted Watson, manager of Sayer Partners, LLC
3520 Riverknoll Way
West Linn OR 97068

**BYLAWS OF THE ASSOCIATION
OF RESIDENTIAL AND PARKING UNIT OWNERS OF
WILLIAM OVERTON CONDOMINIUM**

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. Name and Location. These are the bylaws of the incorporated ASSOCIATION OF UNIT OWNERS OF WILLIAM OVERTON CONDOMINIUM (hereinafter the "Association"). William Overton Condominium (hereinafter the "condominium") is located in the City of Portland, Multnomah County, Oregon, and has been submitted to the Oregon Condominium Act by a declaration filed simultaneously herewith entitled Declaration Submitting William Overton Condominium to Condominium Ownership (hereinafter "the Declaration"). The location of the condominium is more specifically described in the Declaration.

Section 2. Principal Office. The principal office of the Association shall be located at such address as may be designated by the Board of Directors from time to time.

Section 3. Purposes. This Association is formed under the provisions of the Oregon Condominium Act to serve as the means through which the owners of residential and parking units may take action with regard to the administration, management and operation of the condominium.

Section 4. Applicability of Bylaws. The Association, the Declarant and its successors and assigns, owners of all residential and parking units, and all persons using the condominium in any manner shall be subject to these Bylaws and to all rules and regulations which may be promulgated hereunder.

Section 5. Composition of Association. The Association shall be composed of all the owners of parking and residential units in the condominium, including the Declarant and the Association, itself, to the extent any of these own any residential or parking units in the condominium.

Section 6. Definitions. Except as otherwise provided herein, the definitions contained in or adopted by the Declaration shall be applicable to these Bylaws.

Section 7. Incorporation. The Association is incorporated under the Oregon Non-Profit Corporation law.

Section 8. Electronic Communication Permitted.

(a) Subject to subsection (b) and (c) of this Section, and notwithstanding any provision to the contrary in these Bylaws, the Declaration, or the Act, in the discretion of the Board of Directors any notice, information or other written material required to be given to a unit owner or director under these Bylaws, the Declaration or the Act may be given by electronic mail, facsimile,

or other form of electronic communication acceptable to the Board of Directors.

(b) Electronic mail, facsimile or other form of electronic communication shall not be used to give notice of: (i) failure to pay an assessment; (ii) foreclosure of an Association lien; (iii) an action the Association may take against a unit owner; or (iv) an offer to use the dispute resolution procedure described in Article VI, Section 6(a).

(c) A unit owner or director may decline to receive notice by electronic mail, facsimile, or other form of electronic communication and may direct the Board of Directors to provide notice in the manner otherwise required under these Bylaws or the Declaration or the Act.

ARTICLE II

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

Section 1. Membership in the Association. Upon becoming the legal owner or contract purchaser of a residential unit or parking unit, said owner shall automatically be a member of the Association and shall remain a member of the Association until such time as his ownership ceases for any reason. Ownership of a unit shall be determined, for all purposes of the Bylaws and the administration of the property, from the record of residential and parking unit ownership maintained by the Association. The Board of Directors may, at its discretion, require that an owner file with the Association satisfactory proof of ownership, including a copy of the deed to or land sale contract for his unit, to which shall be affixed the certificate of the recording office of the County of Multnomah, Oregon, showing the date and place of recording of such deed or contract. Notwithstanding the foregoing, the Declarant shall be the owner of all previously unsold residential and parking units, although no deed or land sale contract, with respect to such units, has been filed with the Association.

Section 2. Voting. The owners of each residential unit shall have one vote by virtue of ownership of the residential unit. The owners of each parking unit shall have no vote by virtue of ownership of the parking unit. The Declarant shall be entitled to vote as the owner of any previously unsold residential units. The Board of Directors shall be entitled to vote as to any residential units owned by the Association. Whenever any residential unit is owned by two or more persons jointly, according to the records of the Association, the vote or proxy of such residential unit may be exercised by any one of the owners, in the absence of protest by a co-owner. In the event of disagreement among the co-owners, the vote of such unit shall be disregarded completely in determining the proportion of votes given with respect to such matter. Notwithstanding the foregoing, if a valid court order has established the right of co-owners' authority to vote, the court order shall control.

Section 3. Binding Vote; Percent of the Vote. The term "binding vote" shall mean more than fifty percent (50%) of the vote of the residential unit owners, present in person or by proxy, at a meeting at which a quorum is constituted. Such binding vote shall bind all owners of parking units or residential units for all purposes except where a higher percentage vote is required by law, by the Declaration or by these Bylaws.

Section 4. Majority Vote. The term "majority vote" or "majority of residential unit

owners" means more than fifty percent (50%) of all votes allocated to the residential units by the Declaration. The term "percent of all votes" shall mean a percent of all the voting rights allocated to the residential units by the Declaration.

Section 5. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of more than twenty percent (20%) of residential unit owners shall constitute a quorum. A subsequent joinder of a residential unit owner in the action taken at a meeting by signing and conferring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of the residential unit owner or residential unit owners. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, as provided in Article III, Section 8 of these Bylaws.

Section 6. Proxies; Absentee Ballots; Assignment of Voting Rights. A vote of a residential unit owner may be cast in person or by proxy, or in the discretion of the Board, by absentee ballot if the procedure set forth below is utilized by the Board.

A proxy must be in writing and be dated and signed by the residential unit owner; a proxy is not valid if it is undated or purports to be revocable without notice; a proxy terminates one year after its date unless the proxy specifies a shorter term. A copy of a proxy, in compliance with the foregoing, may be provided to the Chairperson or the Secretary by facsimile, electronic mail or other means of electronic communication utilized by the Board of Directors. A proxy shall be sent to or filed with the Secretary, who shall retain the proxy in Association records. A residential unit owner may not revoke a proxy that has been granted except by actual notice of revocation given to the person presiding over the meeting or to the Board of Directors if a vote is being conducted by written ballot in lieu of a meeting.

An absentee ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by absentee ballots shall include (a) instructions for delivery of the completed absentee ballot, including the delivery location, and (b) instructions about whether the ballot may be canceled if the ballot has been delivered according to the instructions. An absentee ballot shall be counted as a residential unit owner present for the purpose of establishing a quorum if it is properly delivered pursuant to delivery instructions. Even if an absentee ballot has been delivered to a residential unit owner, the residential unit owner may vote in person at a meeting if such owner has returned the absentee ballot and has canceled the absentee ballot, if cancellation is permitted in the instructions given under (b) above.

A residential unit owner may pledge or assign his voting rights to a mortgagee. In such a case, the mortgagee or its designated representative shall be entitled to receive all notices to which such owner is entitled hereunder and to exercise such owner's voting rights from and after the time that the mortgagee shall give written notice of such pledge or assignment to the Board of Directors.

Section 7. Fiduciaries. An executor, administrator, guardian or trustee may vote, in person or by proxy, at a meeting of the Association with respect to a residential unit owned or held in a fiduciary capacity, whether or not the same shall have been transferred to the fiduciary, if the person satisfies the Secretary that the person is the executor, administrator, guardian, or trustee holding the residential unit in a fiduciary capacity.

Section 8. Authority to Vote. All owners of residential units shall be entitled to vote, and this shall be true if they have leased their premises to a third party. A residential unit owner's right to vote may not be revoked.

Section 9. Electronic Ballots. The Board of Directors, in the Board's discretion, may provide that a vote, approval or consent of a residential unit owner may be given by electronic ballot. As used in this Section 9, "electronic ballot" means a ballot given by electronic mail, posting on a website, or other means of electronic communication acceptable to the Board of Directors. An electronic ballot may be accompanied by or contained in an electronic notice permitted under Article I, Section 9, of these Bylaws. Electronic ballots shall comply with the following requirements:

(a) If an electronic ballot is posted on a website, a notice of the posting shall be sent to each residential unit owner and shall contain instructions on obtaining access to the posting on the website.

(b) A vote made by electronic ballot is effective when it is electronically transmitted to an address, location or system designated by the Board of Directors for that purpose; unless otherwise provided by rules adopted by the Board, a vote by electronic ballot may not be revoked.

(c) The Board of Directors may not elect to use electronic ballots unless there are procedures in place to ensure: (i) compliance with ORS 100.425 if the vote conducted by written ballot under ORS 100.425 uses the procedures specified in ORS 100.425(2)(b); and (ii) that the electronic ballot is secret, if rules adopted by the Board require that electronic ballots be secret.

Section 10. Written Ballot in Lieu of Meeting. At the discretion of the Board of Directors, any action that may be taken at any annual, regular, or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Association member that is entitled to vote on the matter; notwithstanding the foregoing, action by written ballot may not substitute for the turnover meeting, or for the annual meeting of the Association if more than a majority of residential units are the principal residences of the occupants, or a meeting of the Association if the agenda includes a proposal to remove a director from the Board of Directors, or a special meeting of the Association called at the request of unit owners pursuant to Article III, Section 6, of these Bylaws. If the Board decides to utilize the written ballot, the Board shall comply with ORS 100.425.

Section 11. Petition Signed by Parking Unit Owners. Notwithstanding that parking unit owners have no vote in the Association, the majority of parking unit owners may sign and present to the Board of Directors a petition requesting certain action on any matter that only affects the parking lot or parking unit owners. Such petition may, or may not, be accompanied by a request for a special meeting of the unit owners.

The Board shall consider such request and shall grant such request unless granting such request is not within the power of the Board of Directors, or unless it would be a breach of the Board's fiduciary duty to do so, or unless, in the discretion of the Board, it would not be in the best interest of the condominium to do so. For example: If the petition requests cleaning, maintenance, re-striping, or repair of the parking lot or a portion thereof, the Board shall arrange for such work and assess the parking unit owners for the cost thereof; however, if the petition requests elimination of any cleaning, maintenance, re-striping, or repair of the parking lot that has been scheduled by the Board, the Board need not grant such request if, in the discretion of the Board, elimination of such work would adversely affect the overall appearance of the condominium, or the value of units. If the

petition requests adoption of a rule regarding use of the parking lot, the Board shall grant such request so long as it is consistent with the Bylaws; however, if thirty percent of the residential unit owners request a vote on such rule pursuant to Article IX, Section 5, the Board shall comply and such vote by the residential unit owners may modify or repeal such rule pursuant to such Section 5. If the petition requests an increase in reserves for the parking lot (as such reserves may have been adjusted by the Board from time to time) the Board shall increase the reserves accordingly and shall increase the monthly assessment to the parking unit owners accordingly; however, if the petition requests a reduction in reserves for the parking lot, the Board need not grant such request if, in the discretion of the Board, such reduction might make it more difficult to schedule and pay for major repairs or replacement of portions of the parking lot in the future.

ARTICLE III

MEETINGS OF THE ASSOCIATION

Section 1. Place of Meetings. Meetings of the Association shall be held at such suitable place convenient to the unit owners as may be designated by the Board of Directors. All owners of residential and parking units shall be entitled to attend meetings of the Association, even though owners of parking units have no vote at such meetings and their presence or absence shall not affect the quorum.

Section 2. Informational Meetings. Prior to the initial meeting (the first annual meeting), the Declarant may call meetings of the owners, formally or informally, for such purposes as Declarant deems necessary or appropriate.

Section 4. Turnover Meeting. Within ninety (90) days of the earlier of: a) the date of conveyance to persons other than the Declarant of seventy-five percent (75%) of the residential and parking units; or b) three years from the date the first residential or parking unit is conveyed, the Declarant shall call a meeting of the owners for the purpose of transferring control of the Association to the unit owners, including Declarant. Declarant may, at its option, call the turnover meeting prior to the time specified herein; if Declarant has not called a meeting within the time specified herein, the meeting may be called and notice given by any owner of a parking unit or residential unit or any first mortgagee of such a unit.

Notice of such meeting shall be given to each residential and parking unit owner at least ten (10) but not more than fifty (50) days prior to the meeting and shall state the purpose and the time and place where it is to be held.

At such turnover meeting, the interim Board of Directors will resign. At such turnover meeting the Declarant shall deliver to the Association such information and documents as may be required, from time to time, by the Act. If the Declarant has complied with this Section, unless the Declarant has sufficient voting rights as a residential unit owner to control the Association, the Declarant is not responsible for the failure of the residential unit owners to elect the number of directors sufficient to constitute a quorum of the Board of Directors and assume control of the Association in accordance with the Act. The Declarant shall be relieved of any further responsibility for the administration of the Association except as a unit owner of any unsold unit.

If a quorum of residential unit owners is present at the meeting, the residential unit owners shall select not fewer than the number of directors sufficient to constitute a quorum of the

Board of Directors in the manner provided in Article IV, Section 3, of these Bylaws. If the residential unit owners present do not constitute a quorum or the residential unit owners fail to select the number of directors sufficient to constitute a quorum of the Board of Directors at the turnover meeting, then: (a) at any time before selection of the number of directors to constitute a quorum, a unit owner or first mortgagee of a unit may call a special meeting for the purpose of election of directors and shall give notice of the meeting in accordance the notice requirements for special meetings set forth in Section 8 below; the unit owners and first mortgagees present at the special meeting shall preside over the meeting; and/ or (b) A unit owner or first mortgagee of a unit may request a court to appoint a receiver after giving notice as provided in Article VI, Section 4(d).

In order to facilitate an orderly transition, during the three-month period following the turnover meeting the Declarant or an informed representative shall be available to meet with the Board of Directors (if a Board with a quorum of directors has been formed) on at least three mutually acceptable dates to review the documents delivered to the Association.

Section 5. Annual Meeting. The Association shall hold at least one meeting of the owners each calendar year. The first annual meeting of the Association shall be the initial meeting; it shall be held approximately one year after the sale of the first residential or parking unit and shall be set by action of the Board of Directors, unless the turnover meeting shall have occurred sooner. If the turnover meeting has occurred sooner, the turnover meeting shall be the first annual meeting. After the turnover meeting, successive annual meetings shall be held in approximately one year intervals following the turnover meeting and shall be set by action of the Board of Directors. The date of successive annual meetings may be changed from time to time, but must be held annually. At such meetings the vacancies created by those members of the Board of Directors whose terms have expired shall be filled by the unit owners in accordance with the provisions of Article IV, Section 3, of these Bylaws. The owners may also transact such other business of the Association as may properly come before them.

Section 6. Special Meetings. Special meetings of the Association may be called by the Chairperson, by a majority of the Board of Directors, or by a petition signed by at least thirty percent (30%) of the residential unit owners, according to their voting rights, or by a petition signed by at least thirty percent (30%) of the parking unit owners, which states the items to be included on the agenda and is presented to the Secretary. Upon a special meeting having been called in such manner, the Board of Directors shall, by resolution, set the time and place for the special meeting which may be by formal gathering, or by written ballot if applicable. The notice of any special meeting shall comply with Section 8 below. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all the residential unit owners or as otherwise set out in these Bylaws.

Section 7. Adjourned Meetings. If any gathering of owners is not a legal meeting because a quorum has not attended, the residential unit owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called. No notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place. The adjournment provisions of this Section do not apply to meetings by ballot.

Section 8. Notice of Meetings. Notices of meetings shall state whether the meeting is to be held at a formal gathering or by ballot (if applicable), the time and place of the meeting, and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, or any proposal to remove a director or officer of the Association.

It shall be the duty of the Secretary to either hand deliver or mail a notice of each meeting of owners to each parking and residential unit owner of record, at least ten (10) days but not more than fifty (50) days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. The delivery or mailing shall be to the mailing address of the residential unit or to the address designated to the Secretary in writing by the residential or parking unit owner. If ownership is split or the parking or residential unit has been sold on a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If an owner owns both a residential unit and a parking unit, only one notice need be given. The Secretary shall also mail a copy of the notice to all mortgagees who have requested such notice. The mailing or actual delivery of a notice in the manner provided in this Section shall be considered notice served. Notice of a meeting may be waived by any owner before or after the meeting.

Section 9. Rules of Order; Order of Business. Unless other rules of order are required by a resolution of the Association or its Board of Directors, meetings of the Association and the Board of Directors shall be conducted according to the latest edition of Robert's Rules of Order published by the Robert's Rules Association. A decision by the Association or the Board may not be challenged because the appropriate rules of order were not used unless a person entitled to be heard was denied the right to be heard and raised an objection at the meeting in which the right to be heard was denied. A decision of the Association or the Board is deemed valid without regard to procedural errors related to the rules of order one year after the decision is made unless the error appears on the face of a written instrument memorializing the decision.

The order of business at meetings of the owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of the preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees, if any.
- (f) Selection of directors.
- (g) Unfinished business.
- (h) New business.
- (i) Adjournment.

ARTICLE IV

BOARD OF DIRECTORS QUALIFICATIONS, ELECTION, MEETINGS

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of three persons. All directors must be the owner or the co-owner of a residential or parking unit. For purposes of this Section, the officers of any corporate owner, the partners of any partnership, and the members of any limited liability company shall be considered co-owners of any residential or parking units owned by such corporation, partnership, or limited liability company. The qualifications for directors set forth herein do not apply to interim directors appointed by Declarant.

Section 2. Interim Director. Upon the recording of the Declaration, the Declarant will appoint an interim board of one director who shall serve until replaced by Declarant or until his or her successor has been selected by the residential unit owners as hereinafter provided.

Section 3. Election and Term of Office. At the turnover meeting, the interim director shall resign and three successors shall be elected as herein provided. The term of office of one director shall be fixed at three (3) years, the term of office of one director shall be fixed at two (2) years, and the term of office of one director shall be fixed at one (1) year. Should more directors be added, the same sequential election terms shall apply as nearly as is practicable. At the expiration of the initial term of office of each director, his successor shall be elected to serve a term of three (3) years. The directors shall hold office until their successors have been elected and hold their first meeting. Upon agreement by binding vote of the residential unit owners, the Board of Directors may be elected by a single ballot with each residential unit owner permitted to vote for three nominees, the director receiving the largest number of votes serving for the three-year term, the director receiving the second largest number of votes serving for the two-year term, and the director receiving the third largest number of votes serving for the one-year term.

Section 4. Vacancies on the Board of Directors.

(a) If a director fails to attend three consecutive meetings of the Board of Directors, such director shall be removed automatically and the vacancy shall be filled by vote of a majority of the remaining directors, even though they may constitute less than a quorum, or by a sole remaining director. At any legal annual or special meeting, other than a meeting by ballot, any one or more of the directors, other than interim directors, may be removed with or without cause, by binding vote of the residential unit owners, and in such event a successor shall then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the unit owners may be given an opportunity to be heard at the meeting. Vacancies in the interim Board of Directors shall be filled by Declarant.

(b) If the Association fails to fill vacancies (including but not limited to vacancies not filled pursuant to Section 3 above) on the Board of Directors sufficient to constitute a quorum pursuant to Section 11 below, a unit owner or a first mortgagee of a unit may request the circuit court of Multnomah County to appoint a receiver under ORCP 80 to manage the affairs of the Association; provided, that such unit owner or first mortgagee shall first provide notice as required by Subsection (c) below.

(c) At least 45 days before such unit owner or first mortgagee requests the circuit court to appoint a receiver, such unit owner or first mortgagee shall mail, by certified or registered mail, a notice to the Association and shall post a copy of the notice at a conspicuous place or places on the property or provide notice by a method otherwise reasonably calculated to inform unit owners of the proposed action. The notice shall be signed by such unit owner or first mortgagee and shall include: (i) a description of the intended action; (ii) a statement that the intended action is pursuant to Section 19, Chapter 409, Oregon Laws 2007 [or the counterpart Oregon Revised Statute]; (iii) the date, not less than 30 days after mailing of the notice, by which the Association must fill vacancies on the Board sufficient to constitute a quorum; (iv) a statement that if the Association fails to fill vacancies on the Board by the specified date, such unit owner or first mortgagee may file a petition with the circuit court as provided in subsection (b) of this Section; and (v) a statement that if a receiver is appointed, all expenses of the receivership will be common expenses of the Association.

(d) If, at the turnover meeting held in accordance with ORS 100.210, the

residential unit owners fail to elect the number of directors sufficient to constitute a quorum of the Board, in addition to the notice requirements set forth in subsection (c) above, a unit owner shall provide such notice to all other unit owners as provided in these bylaws.

(e) If a receiver is appointed, the salary of the receiver, court costs, attorney fees and all other expenses of the receivership shall be common expenses of the Association. The appointed receiver shall have all of the powers and duties of a duly constituted Board of Directors and shall serve until a sufficient number of vacancies on the Board are filled to constitute a quorum.

(f) Notwithstanding subsection (c) above, in case of an emergency, the court may waive the notice requirements set forth therein.

Section 5. Open Meetings. All meetings of the Board of Directors shall be open to all owners except that, in the discretion of the Board, the following matters may be considered in executive session: (a) consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation, or criminal matters; (b) personnel matters, including salary negotiations and employee discipline; (c) the negotiation of contracts with third parties; and (d) collection of unpaid assessments. Except in the case of an emergency, the Board shall vote in an open meeting whether to meet in executive session. If the Board votes to meet in executive session, the presiding officer on the Board shall state the general nature of the action to be considered, as precisely as possible, when and under what circumstances the deliberations can be disclosed to owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting. Notwithstanding any implication to the contrary in this Section, a contract or an action considered in executive session does not become effective unless the Board of Directors, following executive session, reconvenes in open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes.

Emergency meetings may be conducted as provided in Section 9 below. For other than emergency meetings, notice of the time and place of directors' meetings shall be posted at a place or places on the condominium at least three (3) days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform owners of such meetings.

As used in this Section 5, "meeting" means a convening of a quorum of members of the Board of Directors where matters relating to Association business are discussed, except a convening of a quorum of members of the Board of Directors for the purpose of participating in litigation, mediation or arbitration proceedings. The meeting and notice requirements of this Section 5 may not be circumvented by chance or social meetings or by any other means.

Section 6. Organizational Meeting. The first meeting of a newly appointed 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 appointed, and no notice shall be necessary to the newly appointed directors in order to legally hold such meeting, providing a majority of the newly appointed directors are present.

Section 7. 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.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the Chairperson or Secretary or on the written request of two directors. Special meetings of the Board of Directors may be called on three (3) days' notice to each director, given personally

or by mail, telephone or telegraph, which notice shall state the time, place, and purpose of the meeting.

Section 9. Emergency Meetings. In emergency situations, or in situations where a quorum of directors cannot otherwise attend the meeting, meetings of the Board of Directors may be conducted by telephonic communication or by use of a means of communication that allows all members of the Board of Directors participating to hear each other simultaneously or otherwise to be able to communicate during the meeting. A member of the Board of Directors participating in a meeting by this means is deemed to be present in person at the meeting. The directors shall keep contact information on file with the Chairperson to be used for such meetings.

Section 10. Waiver of Notice. Before, at, or after any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice to such directors shall be required, and any business may be transacted at such a meeting.

Section 11. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the existing directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is constituted 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 12. Directors' Vote.

(a) Directors may not vote by proxy. Directors may not vote by secret ballot, except for election of officers.

(b) A director who is present at the meeting of the Board of Directors at which action is taken on any Association matter is presumed to have assented to the action unless the director votes against the action or abstains from voting on the action because the director claims a conflict of interest.

(c) When action is taken on any matter at a meeting of the Board of Directors, the vote or abstention of each director present must be recorded at meetings of the Board.

Section 13. Compensation of Directors. No director shall be compensated in any manner, except for out-of-pocket expenses not exceeding \$100 in any three (3) month period, unless such compensation is approved by binding vote of the residential unit owners.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Association shall be a Chairperson (who shall be a member of the Board of Directors), a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The Chairperson shall be a residential unit owner. The Secretary and Treasurer need not be unit owners.

The Board may, at any time, appoint an Assistant Treasurer and an Assistant Secretary, and any such other officers as in their judgment may be necessary or desirable.

Section 2. Election of Officers. The officers of the Association shall be elected by the Board of Directors at the organizational meeting of each new Board or any Board meeting thereafter, and shall hold office at the pleasure of the Board. If any office shall become vacant, the Board of Directors shall elect a successor to fill the unexpired term at any regular meeting of the Board of Directors, or at any special meeting of the Board called for that purpose.

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 may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 4. Chairperson. The Chairperson 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 chief executive officer of an association, including, but not limited to, the power to appoint committees from among the owners from time to time as 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 attend to the giving and serving of all notices to the residential and parking unit owners and directors. He shall have charge of such records of the Association as the Board may direct; and he shall, in general, perform all the duties incident to the office of Secretary and as may be required by the directors.

Section 6. Treasurer. The Treasurer shall have responsibility for Association funds and securities not otherwise held by the managing agent, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the preparation of all required financial statements. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. He shall perform all other duties incident to the office of Treasurer and as may be required by the directors.

Section 7. Directors as Officers. Any director may be an officer of the Association.

Section 8. Compensation of Officers. No officer shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by binding vote of the residential unit owners.

ARTICLE VI

ASSOCIATION RESPONSIBILITIES; BOARD OF DIRECTORS' POWERS AND DUTIES

Section 1. Association Responsibilities. The Association, through the Board of Directors, will have the responsibility of administering the condominium; approving the annual budget; establishing and collecting assessments; arranging for the operation, management, and maintenance of the condominium, including negotiating and contracting with and supervising any person, persons, or business entity with respect to such matters; subject to Section 6 of this Article, instituting, defending or intervening in litigation or proceedings in its own name or on behalf of two or more owners with respect to any cause of action relating to the condominium or more than one residential or parking unit; and taking such other actions and exercising such other powers as are authorized by the provisions of the Act as the same may be amended from time to time.

Section 2. Board's Powers and Duties. Except as limited by the Declaration and Bylaws, the Board of Directors shall have all powers and duties necessary to carry out the responsibilities of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the owners; specifically and without limitation, the Board of Directors shall have authority to carry out and be responsible for the following matters:

(a) Operation, care, maintenance, repair, replacement, and supervision of the Association's property, the general common elements and the limited common elements, except to the extent this obligation is imposed on the owners in the Declaration or these Bylaws.

(b) Determination of the amounts required for operation, maintenance, repair and replacement of common elements, and other affairs of the Association; preparation and adoption of operating budgets and setting assessments therefor in accordance with Article VII, Section 4.

(c) Collection of assessments from the owners, both pro rata assessments and individual assessments.

(d) Payment of all common expenses of the Association and institution and maintenance of a voucher system for such payment, which shall require a sufficient number of signatories on checks and vouchers thereon as shall be reasonably necessary to prevent any misuse of Association funds.

(e) Employment and dismissal of such personnel as is necessary for the maintenance, upkeep and repair of the common elements.

(f) 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, and preparing and filing income tax returns and any other required tax returns or forms.

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

(h) Purchasing residential or parking units of the condominium at foreclosure or other judicial sales in the name of the Association, or its designee, on behalf of all the owners as provided in these Bylaws. In any foreclosure action instituted by the Board of Directors, the Board

shall enter a bid at the sale for the amount of the unpaid lien and costs and expenses incurred in such action. No other purchase of a residential or parking unit can be undertaken unless the residential unit owners have authorized the purchase by majority vote.

(i) Selling, leasing, mortgaging, voting the votes appurtenant to, or otherwise dealing with parking and/or residential units of the condominium acquired by the Association or its designee on behalf of all the owners.

(j) Obtaining insurance or bonds pursuant to the provisions of these Bylaws.

(k) Making additions and improvements to, or alterations of, the common elements; provided, however, that no such project may be undertaken by the Board if the total cost will exceed the amount of \$2,500 unless the project has been approved by unanimous vote of the residential unit owners. This limitation shall not be applicable to the operation, care, maintenance, repair, or replacement of the common elements undertaken pursuant to subparagraph (a) above.

(l) Granting, executing, acknowledging, delivering and recording on behalf of the owners leases, easements, rights of ways, licenses and other similar interests affecting the general and limited common elements or consenting to vacations of roads after the granting of such interests or consents has been approved by the owners as provided in the Declaration. A permit or authorization issued by the Board of Directors pursuant to authority granted to the Board under law, the Declaration, or the Bylaws may be recorded in the deed records of the county where the condominium is located, pursuant to ORS 100.405(10).

(n) Promulgation of rules and regulations governing the condominium and use thereof which shall be consistent with the restrictions set out in Article IX of these Bylaws.

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

(p) Modifying, closing, removing, eliminating, or discontinuing the use of a general common element facility or improvement or portion of the common element landscaping, in accordance with ORS 100.405(9).

Section 3. Reports and Audits; Record Keeping.

(a) The Board or its designee shall maintain, within the state of Oregon, detailed, accurate records, in chronological order, of the receipts and expenditures affecting the common elements, itemizing the maintenance and repair expenses of the common elements and any other expenses incurred, and shall keep any other financial records sufficient for proper accounting purposes.

(b) An annual report or financial statement consisting of a balance sheet and income and expense statement for the preceding year shall be prepared or caused to be prepared by the Board of Directors and distributed by the Board to all owners, and to all mortgagees of parking or residential units who have requested the same, within ninety (90) days after the end of each fiscal year. From time to time the Board of Directors, at the expense of the Association, may obtain an audit of the books and records pertaining to the Association. At any time any residential or parking unit owner or mortgagee may, at his own expense, cause an audit or inspection to be made of the

books and records of the Association.

(c) The Board of Directors shall maintain at all times, within the state of Oregon, the records and documents of the Association, including those received from Declarant at the turnover meeting. Such records and documents shall be retained, within the state of Oregon, for not less than the period specified for the record in ORS 65.771 or any other applicable law, except that: (i) the documents specified in ORS 100.210(5)(j), if received, must be retained as permanent records of the Association, and (ii) proxies and ballots must be retained for one year from the date of determination of the vote. Except as provided in Subsection (d) below, the documents, information, and records described in this Section 3 and all other records of the Association must be reasonably available for examination and, upon written request, available for duplication by an owner or a mortgagee that makes the request in good faith for a proper purpose.

(d) Records kept by or on behalf of the Association may be withheld from examination and duplication to the extent the records concern: (i) personnel matters relating to a specific identified person or a person's medical records; (ii) contracts, leases and other business transactions that are currently under negotiation to purchase or provide goods or services; (iii) communications with legal counsel that relate to matters specified in subparagraphs i and ii above; (iv) disclosure of information in violation of law; (v) documents, correspondence or management or Board reports compiled for or on behalf of the Association or Board of Directors by its agents or committees for consideration by the Board of Directors in executive session held in accordance with Article IV, Section 5 of these Bylaws; (vi) documents, correspondence or other matters considered by the Board of Directors in executive session held in accordance with Article IV, Section 5 of these Bylaws; (vii) files of individual owners, other than those of a requesting owner or requesting mortgagee of an individual unit owner, including any individual unit owner's file kept by or on behalf of the Association.

(e) Without limiting the provisions of Subsection (c) above, the Association shall maintain copies, suitable for duplication, of the Declaration and Bylaws (including amendments or supplements in effect), the recorded plat (if feasible), the Associations's rules and regulations currently in effect, the most recent annual financial statement, the current operating budget of the Association, the reserve study, if any, and architectural standards and guidelines, if any. Within 10 business days of a written request by an owner for the foregoing information, the Association shall furnish the requested information.

(f) The Board of Directors, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplications of Association records and documents and the imposition of a reasonable fee for furnishing copies of any documents, information or records described in this Section 3, including Subsection (e). The fee may include reasonable personnel costs incurred to furnish the information.

(g) 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 that 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, and (ii) the percentage rate at which interest accrues on assessments that are not paid when due, and (iii) the percentage rate used to calculate the charges for late payment or the amount of a fixed charge for late payment. Notwithstanding the foregoing, the Association is not required to provide such written statement if the Association has commenced litigation by filing a complaint against the owner and the litigation is pending when the statement would otherwise be due. The Board may charge a reasonable

fee for the preparation of such written statement.

(h) The Board of Directors, in the name of the Association, shall maintain current mailing address.

Section 4. Managing Agent. The Board of Directors may employ a managing agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties otherwise delegated to the Secretary or Treasurer in Article V of these Bylaws. The managing agent shall have the right to contract with any owner, individually or collectively with other owners, for the management or lease of a particular parking or residential unit.

Section 5. Annual Oregon Real Estate Agency Report; Annual Corporation Report; Registered Agent.

(1) After the turnover meeting described in Article III, Section 3, has been held, the Board or its designee shall annually prepare and deliver to the office of the Oregon Real Estate Agency, not later than the "report date", an annual report as provided in the Act. The "report date" shall be the anniversary date on which the Condominium Information Report was filed in the office of the Oregon Real Estate Agency. The annual report shall be accompanied by the fee set by statute. The annual report shall set forth:

- (a) The name of the Association;
- (b) The name of the condominium and the county in which the condominium is located;
- (c) The mailing address, including the street and number, if any, and county of the Association;
- (d) The name and residence or business address, including the street and number, of the person designated as agent to receive service of process in cases provided in ORS 100.550(1) and any other legal proceeding relating to the condominium or Association; if the designated agent has been changed since the last annual report was filed, the report shall contain a statement that the new agent has consented to the appointment; and
- (e) The names and addresses of the Chairperson and Secretary of the Association.

Within thirty (30) days after there is a change in the information contained in a report, the Board or its designee shall prepare and deliver to the Oregon Real Estate Agency an amendment in accordance with the Act, which amendment shall set forth:

- (a) The name of the Association as shown on the current records of the Oregon Real Estate Agency;
- (b) The name of the condominium and county in which the condominium is located;

(c) A statement of the information as changed; and

(d) If the current designated agent is to be changed, the name of the new designated agent and residence or business address, including the street and number, and a statement that the new agent has consented to the appointment.

The reports and amendment shall be made on forms prescribed and furnished by the Oregon Real Estate Agency, shall be accompanied by one exact or conformed copy and the correct filing fee, shall contain information current as of thirty (30) days before delivery for filing, shall be executed by the designated agent and the Chairperson or Secretary of the Association and shall state beneath or opposite the signature the name of the person and the capacity in which the person signs; and shall contain any additional identifying information that the Oregon Real Estate Agency may require by rule.

(2) After the turnover meeting described in Article III, Section 4, has been held, the Board or its designee shall annually prepare and deliver to the office of the Oregon Secretary of State, not later than the "report date", an annual report as provided in the Oregon Nonprofit Corporation Act. The "report date" shall be the anniversary date on which the Articles of Incorporation were filed in the office of the Oregon Secretary of State. The information contained on the annual report shall be current as of 30 days before the anniversary of the corporation. The annual report shall set forth:

(a) The name of the corporation and the state or country under whose law it is incorporated;

(b) The street address of the registered office and the name of the registered agent at that office in this state;

(c) If the registered agent is changed, that the new registered agent has consented to the appointment;

(d) The address including street and number and mailing address if different from its principal office;

(e) The names and addresses of the chairperson and secretary of the corporation;

(f) A brief description of the nature of the activities of the corporation;

(g) Whether or not it has members;

(h) Whether it is a public benefit, mutual benefit or religious corporation;

(j) The federal employer identification number of the corporation; and

(k) Additional identifying information that the Secretary of State may require by rule.

The annual report shall be accompanied by the fee set by statute. The annual report shall be prepared on forms prescribed by the Secretary of State. The Secretary of State shall mail the annual report form to any address shown for the corporation in the current records of the office. The failure of the corporation to receive the annual report form from the Secretary of State shall not relieve the corporation of its duty to deliver an annual report to the office as required by statute.

(3) The registered agent and Association address shall be kept current at all times with the office of the Oregon Real Estate Agency and the office of the Secretary of State. Resignation of an existing registered agent and appointment of a new registered agent shall require an amendment

to be filed with each office on the appropriate forms and accompanied by the appropriate fee.

Section 6. Legal Proceedings.

(a) Prior to Initiating Legal Proceedings. Before initiating litigation or an administrative proceeding in which the Association and an owner have an adversarial relationship, the party that intends to initiate litigation or an administrative proceeding shall offer to use any dispute resolution program available within the county in which the condominium is located that is in substantial compliance with the standards and guidelines adopted under ORS 36.175. The offer shall be in writing and must be hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the Association, for the other party.

If the party receiving the offer does not accept the offer within 10 days after receipt of the written notice described above, the initiating party may, subject to the remaining provisions of this Section 6, commence the litigation or the administrative proceeding. The notice of acceptance of the offer to participate in the program must contain the name, address, and telephone number of the body administering the qualified dispute resolution program selected by the accepting party.

If a qualified dispute resolution program exists within the county in which the condominium is located and an offer to use the program is not made as required above, litigation or an administrative proceeding may be stayed for 30 days upon a motion of the noninitiating party. If the litigation or administrative action is stayed under this paragraph, both parties shall participate in the dispute resolution process.

Unless a stay has been granted as described above, if the dispute resolution process is not completed within 30 days after receipt of the initial offer, the initiating party may, subject to the remaining provisions of this Section 6, commence litigation or an administrative proceeding without regard to whether the dispute resolution is completed.

The requirements of the foregoing Subsection (a) do not apply to circumstances in which irreparable harm to a party will occur due to delay or to litigation or an administrative proceeding initiated to collect assessments, other than assessments attributable to fines.

(b) Initiating or Defending in Legal Proceedings. Subject to Subsection (a) above, the Association, through its Board of Directors, may:

(i) Defend against any claims, proceedings or actions brought against it;

(ii) Subject to the notice set forth in Subsection (iii) below, initiate or intervene in litigation or administrative proceedings in its own name, and without joining the individual owners, in the following: (A) matters relating to the collection of assessments and the enforcement of governing documents of the condominium; (B) matters arising out of contracts to which the Association is a party; (C) actions seeking equitable or other nonmonetary relief regarding matters that affect the common interests of the owners, including but not limited to the abatement of nuisance; (D) matters relating to or affecting common elements, including but not limited to actions for damage, destruction, impairment or loss of use of any common element; (E) matters relating to or affecting the parking or residential units or interest of owners including but not limited to damage, destruction, impairment or loss of use of a parking or residential unit or portion thereof, if resulting from a nuisance or a defect in or damage to a common element, or required to facilitate repair to any common element; and (F) any other matter to which the Association has standing under law or

pursuant to the Declaration or Bylaws.

(iii) At least ten (10) days prior to instituting any litigation or administrative proceeding to recover damages under Subsection (F) above, the Association shall provide written notice to each affected owner of the Association's intent to seek damages on behalf of the owner. The notice shall be mailed to the mailing address of each unit or to the mailing addresses designated by the owners in writing to the Association. The notice shall, at a minimum: (A) inform each unit owner of the general nature of the litigation or proceeding; (B) describe the specific nature of the damages to be sought on the unit owner's behalf; (C) set forth the terms under which the Association is willing to seek damages on the owner's behalf, including any mechanism proposed for the determination and distribution of any damages recovered; (D) inform each owner of the owner's right not to have the damages sought on the owner's behalf and specify the procedure for exercising the right; and (E) inform the owner that exercising the owner's right not to have damages sought on the owner's behalf relieves the Association of its duty to reimburse or indemnify the owner for the damages, does not relieve the owner from the owner's obligation (if applicable) to pay dues or assessments relating to the litigation or proceeding, does not impair any easement owned or possessed by the Association, and does not interfere with the Association's right to make repairs to common elements.

(iv) Within ten (10) days of mailing the notice described in Subsection (iii) above, any owner may request in writing that the Association not seek damages with regard to the objecting owner's unit or interest and shall be relieved of any duty to reimburse or indemnify the owner for damages under the litigation or proceeding.

(c) Legal Proceedings Not Obligatory. Notwithstanding any implication to the contrary in this Section 6, the Association shall not be required to institute, defend, or intervene in proceedings in its own name or on behalf of two or more owners with respect to any cause of action relating to the condominium or more than one parking or residential unit, and the Board of Director's failure to do so shall not be deemed a breach of fiduciary duty.

(d) Residential Unit Owner Vote Required. Notwithstanding any provision to the contrary in this Section or elsewhere in these Bylaws, and in addition to the requirements set forth above: except for legal action to collect delinquent assessments or to foreclose liens filed with respect thereto, the Board of Directors shall not institute legal action against third parties or owners unless such legal action has first been approved by affirmative vote of 75% or more of the unit owners.

ARTICLE VII

EXPENSES AND ASSESSMENTS

Section 1. Assessments.

(a) All unit owners are obligated to pay assessments imposed by the Board of Directors to meet all the common expenses and for such other reasons and purposes as provided in the Bylaws. The term "assessment", as used in the Declaration or Bylaws, means any charge imposed or levied by the Association on or against a unit owner or unit pursuant to the Declaration, the Bylaws, or the Act. Assessments may not be waived due to limited or nonuse of common elements

or abandonment of a unit. A unit owner may not claim an offset against an assessment for failure of the Association to perform its obligations.

(b) All assessments, including Declarant's subsidies, shall be deposited in the name of the Association in one or more separate federally insured accounts located at a financial institution, as defined in ORS 706.008, other than an extranational institution. All expenses of the Association shall be paid from the Association's bank account; expenses paid by Declarant pursuant to Section 2(b) below shall not be deemed expenses of the Association.

Section 2. Declarant's Obligations; Deferring Commencement of Assessments.

(a) Except as provided in Subsection (b) below and Section 5 of this Article, from the date of conveyance of the first residential unit, the Declarant shall pay (i) assessments due for common expenses on all unsold residential units; and (ii) assessments due for reserves on all unsold residential units; and (iii) assessments due for reserves on all unsold parking units..

(b) Except with respect to reserves described in Section 5 of this Article, Declarant may elect to defer commencement of all or part of common expense assessments as to all residential units and parking units in the condominium until the turnover meeting. If Declarant so elects to defer commencement of all or part of common expense assessments, Declarant shall pay as they accrue and be responsible for all or part of the common expenses attributable to the condominium for which assessments have been deferred, until assessments commence for all common expenses. Declarant shall give not less than ten (10) days written notice to all affected unit owners prior to the commencement of common expense assessments if such a deferral occurs.

(c) With respect to reserves described in Section 5 of this Article, reserve assessments do not begin to accrue until after Declarant has conveyed the first residential unit in the condominium to persons other than Declarant. Thereafter, Declarant may elect to defer payment of accrued assessments for reserves for a unit until the date the unit is conveyed; however, the Declarant may not defer payment of accrued assessments for reserves beyond the date of the turnover meeting, or, if a turnover meeting is not held, the date that the residential unit owners assume administrative control of the Association; and in any event, election by Declarant to defer payment of such accrued assessments shall be limited to a period of three years from the date the Declaration is recorded. The Declarant shall pay reserves, including any deferred reserves, within 30 days of the date they are due. The books and records of the Association shall reflect the amount the Declarant owes for all reserve account assessments.

Section 3. Determination of Common Expenses. The Association will clean, maintain, repair, and replace, as needed, the parking lot and parking units. All of the Association's costs and expenses of doing so, any reserves for the parking lot and parking units, and any other expense directly attributable to the existence of or activities on the parking lot and parking units shall be allocated solely among the parking unit owners. All other common expenses shall be allocated solely among the residential unit owners.

A. Expenses for residential units shall include:

- (i) Expenses of administration.
- (ii) Expenses of maintenance, repair or replacement of common elements (except for such expenses relating to the parking lot).

- (iii) Cost of insurance or bonds obtained in accordance with these Bylaws.
- (iv) Cost of funding reserves for all common expenses except the parking lot.
- (v) Any deficit in common expenses for any prior period.
- (vi) Water and sewer charges.
- (vii) Electricity for the common elements.
- (viii) Trash collection.
- (ix) Any other items properly chargeable as an expense of the Association or properly assessed against a residential unit owner or owners as provided herein.
- (x) Any other items agreed upon as common expenses by all residential unit owners.

B. Expenses for parking unit owners shall include:

- (i) Expenses of maintenance, repair or replacement of the parking lot and/or parking units.
- (ii) Cost of funding reserves for the parking lot and/or parking units.
- (iii) If the Association's insurance premium increases as a direct result of the existence of or activities on the parking lot or parking unit, the cost of such additional premium.
- (iv) Any other items properly assessed against a parking unit owner or owners as provided herein.
- (v) Any other items agreed upon as common expenses by all parking unit owners.

Section 4. Annual Budget. The initial budget and estimated assessment for the residential unit owners and for the parking unit owners shall be determined by Declarant. The budgets and assessments shall thereafter be determined by the Board of Directors. The Board shall from time to time, and at least annually, estimate the expenses to be incurred during the coming year or fiscal period for residential unit owners and for parking unit owners, adopt the annual budgets for such year or period, and determine the annual assessments and any special assessments to be paid during such year or period by the unit owners. Account shall be taken of any expected income and any surplus available from the prior year's operations. The budget for residential unit owners may provide for reserves for working capital and unexpected contingencies for the residential units. Within thirty (30) days after adopting the annual budget, the Board shall provide a summary thereof to all unit owners and shall notify the unit owners of the annual assessments due for residential units and for parking units, and when such assessments are due and payable; annual assessment shall be payable

in monthly installments. If any sums estimated and budgeted for any purpose prove inadequate for any reason (including a residential unit owner's failure to pay assessments for any reason) the Board may at any time levy a further assessment.

Section 5. Reserve Study; Maintenance Plan; Reserve Account(s) for Common Elements.

(a) The Declarant, on behalf of the Association, shall conduct an initial reserve study and prepare an initial maintenance plan and establish a reserve account or accounts in the name of the Association, as described in the Act. Thereafter the Board shall prepare a maintenance plan and review and update the maintenance plan, as necessary, for all property for which the Association has maintenance, repair, or replacement responsibility under these Bylaws or the Declaration. Thereafter the Board of Directors annually shall conduct a reserve study or review and update an existing study to determine the reserve account requirements; and the Board may adjust the amount of payments in accordance with the study or review, and provide for other reserve items that the Board, in its discretion, deems appropriate.

(b) The reserve study shall identify all items for which reserves are or will be established (including parking units); include the estimated remaining useful life of each item as of the date of the reserve study; and include for each item, as applicable, an estimated cost of maintenance and repair and replacement at the end of the item's useful life.

(c) The maintenance plan shall describe the maintenance, repair, and replacement to be conducted; include a schedule for the maintenance, repair, and replacement; be appropriate for the size and complexity of the maintenance, repair and replacement responsibility of the Association; and address issues that include but are not limited to warranties and the useful life of items for which the Association has maintenance, repair or replacement responsibility.

(d) The reserve account or accounts shall be established to fund major maintenance, repair or replacement of parking units and those common elements all or a part of which will normally require major maintenance, repair, or replacement in more than one and less than thirty years, for exterior painting if the common elements include exterior painted surfaces, and for such other items (if any) as may be required by the Declaration or these Bylaws. The Association is responsible for administering the account(s) and making periodic payments into the account(s). The reserve account must be funded by assessments against the individual units for the purposes for which the reserve account is being established. The reserve account need not include those items that can reasonably be funded from the general budget or other funds or accounts of the Association. The reserve account need not include those limited common elements for which maintenance and replacement are the responsibility of one or more (but less than all) unit owner under the provisions of these Bylaws.

(e) At least once every three years as part of the reserve study review or update, the Board shall engage a professional inspector (a person such as an architect, engineer, or licensed home inspector who regularly inspects condominiums or similar properties) to inspect the common elements and issue a written report similar in scope to the property condition assessment required by ORS 100.655(1)(h)(A). The Board shall deliver a copy of each such report or a written summary thereof to each unit, shall retain each such report (and written summary thereof, if applicable) for a minimum of ten years in the Association records, and shall take into account the information therein in making adjustments to the reserve account and assessment.

(f) After the turnover meeting, if the Board of Directors has adopted a resolution

(which may be an annual continuing resolution) authorizing the borrowing of funds, the Board may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet unexpected increases in expenses. Not later than the adoption of the budget for the following year, the Board shall adopt by resolution a written payment plan providing for repayment of the borrowed funds within a reasonable period. Restrictions on the use of the reserve account do not prohibit its prudent investment subject to any constraints on investment of Association funds imposed by rules of the Association.

(g) Following turnover, the Association may: (1) on an annual basis, elect not to fund the reserve account(s) described in this Section 5 by unanimous vote of the residential unit owners, or (2) elect to reduce or increase future assessments for the reserve account(s) described in Section 5 by an affirmative vote of at least 75 percent of the residential unit owners.

Section 6. Special Assessments for Working Capital and Capital Improvements.

(a) At the initial closing of each residential unit, the purchaser of such unit shall pay a special assessment equal to two months of the estimated assessment for residential units in the projected budget. Such special assessments shall be for the purpose of creating a working capital fund for the Association. No portion of the working capital special assessment shall be spent before the turnover meeting. The Declarant may keep such funds in the checking account for the Association or in a separate account for the Association until turnover.

(b) If capital improvements to the common elements are authorized pursuant to Article VI, Section 2, of the Bylaws, the Board of Directors may establish separate assessments for such capital improvements (as opposed to increasing the regular assessments for common expenses) and maintain the proceeds from such assessments in separate accounts. Parking unit owners shall not be liable for any assessment for capital improvements to any common element but the parking lot. Residential unit owners shall not be liable for any assessment for capital improvements to the parking lot.

Section 7. Assessments Allocated to Each Unit; Individual Assessments. Except as otherwise provided in these Bylaws, all residential unit owners shall be assessed in accordance with the allocation set forth in Section 7 of the Declaration. However, residential unit owners may be assessed additional amounts individually for common expenses incurred through such unit owner's fault or direction. Further, residential unit owners may be assessed additional amounts individually for fines, charges and expenses in the process of collection of assessments and enforcement of the Declaration, Bylaws, and rules and regulations, and as otherwise provided in these Bylaws. Except as otherwise provided in these Bylaws, all parking unit owners shall be assessed in accordance with the allocation set forth in Section 7 of the Declaration. However, parking unit owners may be assessed additional amounts individually for common expenses incurred through such unit owner's fault or direction. Further, parking unit owners may be assessed additional amounts individually for fines, charges and expenses in the process of collection of assessments and enforcement of the Declaration, Bylaws, and rules and regulations, and as otherwise provided in these Bylaws.

Section 8. Omission of Budget and Assessments. The omission by the Board before the expiration of any fiscal year to fix the budget, estimate the expenses, and/or determine the assessment for the forthcoming year shall not be deemed a waiver or modification in any respect of the provision of these Bylaws, or a release of the unit owner from the obligation to pay the assessment or any installment thereof; the last adopted budget shall continue in effect and assessments fixed for the preceding year and any unpaid portions of prior special assessments shall continue until

new assessments are fixed.

Section 9. Debt Obligation; Installment; Interest. Each assessment shall be the joint and several personal obligation of the owner or owners of the unit as of the time it is assessed. Assessments shall be paid monthly. Any assessment or installment thereof unpaid when due shall be delinquent and shall bear interest at twelve percent (12%) per annum from its due date until paid.

Section 10. Association's Lien Against Unit. Whenever the Association levies any assessment against a unit, the Association shall have a lien upon the individual unit and undivided interest in the common elements appertaining to such unit for any unpaid assessments. The lien includes interest, late charges, attorney fees, costs or other amount levied under the Declaration or Bylaws. The Association shall record a notice of claim of lien for assessments in the deed records of Multnomah County before any suit to foreclose may proceed. The notice of claim of lien shall comply with ORS 100.450, as the same may be amended. The cost of preparing and recording the "notice of claim of lien" (including the legal fees, and recording fees) shall be assessed as an individual assessment against the unit owner and the unit.

The lien is prior to a homestead exemption and all other liens or encumbrances upon the unit except:

- (a) tax and assessment liens, and
- (b) a first mortgage or trust deed of record.

(c) notwithstanding subparagraph (b) above, the Association's lien shall also be prior to the lien of a first mortgage or trust deed of record for the unit and the undivided interest in the common elements if:

(1) The Association has given the lender under the mortgage or trust deed ninety (90) days prior written notice that the owner of the unit is in default in payment of an assessment. The notice shall contain: (i) name of the borrower; (ii) recording date and recording information of the trust deed or mortgage; (iii) name of condominium, unit owner and unit identification; and (iv) amount of unpaid assessment; the notice must also set forth the following in 10-point type: "NOTICE: The lien of the Association may become prior to that of the lender pursuant to ORS 100.450"; and

(2) The lender has not initiated judicial action to foreclose the mortgage or requested an issuance of a trustee's notice of sale under the trust deed or accepted a deed in lieu of foreclosure in the circumstances described in Section 11 of this Article prior to the expiration of ninety (90) days following the notice by the Association; and

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

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

(5) A copy of the notice has been verified, filed and recorded in the manner prescribed in 100.450(3).

Section 11. Deed in Lieu of Foreclosure. A deed in lieu of foreclosure accepted by the holder of a first mortgage or the beneficiary of a first deed of trust in respect to a unit shall have the effect of extinguishing a lien of the Association securing secure unpaid assessments through the date of recording of the deed in lieu of foreclosure in the following circumstances:

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

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

Section 12. Transferee's Liability for Unpaid Share of Common Expenses.

(a) Where the purchaser of a unit obtains title to the unit as a result of foreclosure of the first mortgage or trust deed, such purchaser, his successors and assigns, shall not be liable for any unpaid assessments against such unit or its owner which became due prior to the acquisition of title to such unit by such purchaser. Such unpaid assessments shall be a common expense of all the residential unit owners or all the parking unit owners (whichever is applicable) including such purchaser, his successors and assigns.

(b) Subject to Subsection (c) below, in a voluntary conveyance of a unit, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor of the unit to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

(c) Upon request of a unit owner or owner's agent, for the benefit of a prospective purchaser, the Board of Directors shall make and deliver a written statement of the unpaid assessments against the prospective grantor or the unit effective through a date specified in the statement, and the grantee in that case shall not be liable for any unpaid assessments against the grantor not included in the written statement.

ARTICLE VIII

COLLECTION OF ASSESSMENTS; ENFORCEMENT

Section 1. Compliance With Declaration, Bylaws, Rules and Regulations. Each unit owner shall comply with the Declaration, Bylaws, and rules and regulations adopted pursuant thereto, as well as with such other covenants, conditions and restrictions contained in the deed to the unit. Failure to comply therewith shall be ground for an action maintainable by the Association or by an aggrieved unit owner.

Section 2. Authority to Enforce and Collect. The Board of Directors, on behalf of the Association, shall take prompt action against any violator to enforce the provisions of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto, including prompt action to collect any unpaid assessment. In doing so, the Board may exercise one or more of the remedies, separately or concurrently, specified in this Article, as well as any other remedies which may be

available at law or in equity.

Section 3. Abatement and Enjoining of Violations. In the event of the violation of the Declaration, Bylaws, or any rules or regulations adopted pursuant thereto, the Board of Directors shall have the right to:

(a) enter the unit or limited common element in which or as to which such violation exists and summarily abate and remove, at the expense of the unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the documents (except that judicial proceedings must be instituted before items of construction can be altered or demolished), and the Board and its agents shall not thereby be deemed guilty of any manner of trespass; and/or

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

Section 4. Late Charges; Fines. The Board may, if it deems appropriate, impose charges for late payments of assessment and, after giving written notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws and rules and regulations of the Association, provided that the charge imposed or fine levied by the Association must be based on a resolution that is adopted by the Board or the Association that is delivered to each unit, either by mailing to the mailing address of each unit or mailed to the mailing addresses designated by the owner in writing.

Section 5. Acceleration of Assessment. In the event that a unit owner fails to pay an installment of an assessment when it is due, the Board may, after ten (10) days written notice, declare the defaulting unit owner's entire annual or special assessment due immediately and interest thereafter shall accrue on the entire assessment at twelve percent (12%) per annum until paid.

Section 6. Foreclosure of Lien Against Unit; Appointment of Receiver; Power to Bid at Foreclosure Sale. The Board of Directors, on behalf of the Association, may bring suit to foreclose the lien against the unit pursuant to ORS 100.450. In any such foreclosure suit, the unit owner shall be required to pay reasonable rental for the unit. The plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect the rent. The Board of Directors, acting on behalf of the unit owners, shall have the power to bid for the unit at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same, subject to the restrictions in Article VI, Section 2(h).

The costs of filing the legal action, the costs of appointing the receiver (including the receiver's salary) the legal fees, and all other reasonable expenses of initiating, prosecuting, and completing the legal action shall be assessed as an individual assessment against the unit owner and the unit.

Section 7. Action to Obtain and Recover a Money Judgment. The Board of Directors, on behalf of the Association, may bring an action to obtain a money judgment against a unit owner for damages and/or for unpaid assessments. An action to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien securing the same referred to in Article VII, Section 10 of these Bylaws.

Section 8. Attorney's Fees. In any suit or action brought by the Association or the Declarant to foreclose its lien, collect delinquent assessments, or to enforce compliance with the terms

and provisions of the Act, the Declaration or Bylaws, all amendments or supplements thereto, or any rules or regulations adopted thereunder, the prevailing party shall be entitled to recover reasonable attorney fees therein and in any appeal therefrom. The Board shall be entitled to assess the delinquent unit owner, as an individual assessment, an amount equal to the actual attorney's fees the Board has incurred in collecting or attempting to collect delinquent assessments, whether or not suit or action is filed, or in collecting or attempting to collect a judgment against the unit owner. The Board may, but shall not be obligated to, provide the delinquent unit owner with written notice of the amount of attorney's fees that have been incurred from time to time.

ARTICLE IX

MAINTENANCE AND USE OF CONDOMINIUM PROPERTY

Section 1. Maintenance and Repair.

(a) Each residential unit owner must perform promptly all cleaning, maintenance and repair work within his own unit, which if omitted would affect the common elements of the condominium or a part thereof belonging to other residential unit owners, and may be responsible for the damages and liabilities that his failure to do so may cause, pursuant to Article X, Section 7. The residential unit owners shall comply with the maintenance plan with respect to the residential units and, with respect to routine maintenance, the maintenance plan with respect to the limited common elements assigned to his unit.

(b) Each residential unit owner shall be responsible for the repair, maintenance, or replacement of the glazing and screening of exterior windows and unit access doors, all portions of interior windows and interior doors, and any plumbing, heating or air conditioning fixtures, telephones, water heaters, fans, lighting fixtures and lamps, refrigerators, dishwashers, ranges, ovens, washers, dryers, or other appliances and accessories that may be in or connected with his unit. Residential unit owners with fireplaces shall have the chimneys cleaned periodically, as required by the Board from time to time. Residential unit owners shall not affix any items to the unit access door. The Association shall be responsible for maintaining, repairing and replacing the unit access doors and exterior doors and windows as a common expense of residential unit owners.

(c) The owners of Residential Unit 203 shall maintain the porch assigned to their unit as a limited common element in a reasonably clean, safe, and sanitary condition. The Board of Directors may regulate the items that are placed on the porch in order to maintain an attractive exterior on the condominium.

(d) No parking unit owner shall install any improvement in or affix any item to the parking unit. Each parking unit owner shall maintain the parking unit in a reasonably safe and sanitary condition. All other cleaning, maintenance, repair, and replacement of the parking units and parking lot shall be done by the Association, by the Board of Directors, at the expense of the parking unit owners. Without limiting the foregoing, the Association shall comply with the maintenance plan with respect to the parking lot and parking units.

(e) A unit owner shall promptly reimburse the Association for: (i) any expenditures incurred in repairing or replacing any common element and/or (ii) any portion of a unit for which the Association is responsible for maintenance and repair, which is damaged through his fault or at his

direction, as provided in Article X, Section 7, of the Bylaws.

(f) All other maintenance, repair and replacement to the general and limited common elements shall be made by the Association as a common expense, assessed to residential units or parking units as provided in these Bylaws. The Association shall comply with the maintenance plan with respect to the common elements (except for maintenance done by the residential unit owners).

(g) Without limiting the foregoing Subsections (a) through (f), the Association shall : (i) inspect all exterior wood surfaces for dryrot or pests, and cause the wood to be cleaned and repaired as and when needed, (ii) inspect the walkways and other concrete or asphalt surfaces at least annually and cause those exterior surfaces to be pressure washed, sealed or repaired as and when needed, and (iii) inspect the porch, including any flashing, at least annually and cause the porch and flashing to be repaired, as and when needed, and (iv) inspect the exterior doors and windows, at least annually and cause the doors and windows to be re-caulked and re-sealed as needed, and (v) inspect the roof scupper and downspout at least annually and clean and repair it as needed, and (vi) cause the common hot water heater to be serviced annually by a professional.

Section 2. Use of Units; Renting Units; Internal Changes; Alterations.

(a) All residential units shall be occupied and used by the respective residential unit owners only for residential purposes for the owner, family, tenant, and social guests and for no other purposes. All parking units shall be used for the parking of operable automobiles, light trucks, motorcycles, and motor scooters, each of which must fit entirely within the boundaries of the parking unit with room for the driver to exit the vehicle. All common elements shall be used in a manner conducive to the foregoing purposes. A unit owner shall have the right to lease or rent the unit as provided in Section 5.3 of the Declaration. Any lease or rental agreement shall be in writing and shall provide that the terms of said agreement shall be subject in all respects to the provisions of the Declaration, Bylaws, and rules and regulations adopted by the Board of Directors and that any failure by the tenant to comply with the terms of such documents shall be a default under said agreement; copies of any lease or rental agreement shall be given to the Board of Directors. A unit owner may be assessed individually for common expenses incurred through such tenant's fault or direction and for fines, charges and expenses incurred in enforcing the Declaration, Bylaws, and rules and regulations with respect to such tenant.

(b) A residential unit owner shall make no repair or alteration or perform any other work on his unit which would jeopardize the soundness or safety of the condominium, reduce the value thereof, impair any easement or hereditament or increase the common expenses of the Association unless the consent of all the other residential unit owners affected is first obtained. Subject to this limitation, however, a residential unit owner may:

(i) Make any improvements or alterations to his residential unit that do not impair the structural integrity or mechanical systems of the condominium or lessen the support of any portion of the condominium.

(ii) After acquiring an adjoining residential unit or an adjoining part of an adjoining residential unit, may submit a written request to the Board of Directors for permission to remove or alter any intervening partition or to create apertures therein, even if the partition in whole or in part is a common element. The Board of Directors shall approve the change unless it determines within forty-five (45) days that the proposed change will impair the structural integrity or mechanical systems of the condominium or lessen the

support of any portion of the condominium. The Board of Directors may require the residential unit owner, at his own expense, to submit an opinion of a registered architect or registered professional engineer that the proposed change will not impair the structural integrity or mechanical systems of the condominium or lessen the support of any portion of the condominium.

Section 3. Use of the Common Elements. A unit owner may not change the appearance of the common elements, including the limited common elements, or the exterior appearance of a unit without permission of the Board of Directors. Subject to limitations contained in these Bylaws, a unit owner may use the common elements in accordance with the purposes for which they are intended; but a unit owner may not hinder or encroach upon the lawful rights of the other unit owners.

Section 4. Rules of Conduct. The following rules of conduct apply to all unit owners and all other persons using the condominium in any manner.

(a) Without prior written approval of the Board of Directors, no advertisements, posters, or signs of any kind shall be displayed to public view on or from any unit or the common elements except signs to advertise units for sale or lease.

(b) No person shall create disturbances, make noises, or use musical instruments, radios, television, and amplifiers that disturb residents in other units.

(c) No exotic animals shall be kept or permitted in any portion of the condominium, and no pets of any kind shall be raised, kept or permitted within the condominium, or any part thereof, for commercial purposes. Pet owners shall at all times strictly comply with any and all municipal or other laws and regulations relating to pets, including leash and licensing laws. No pet owner shall permit his pet to bark or otherwise annoy, by any unreasonable behavior, other unit owners. After sending two notices in writing to the unit owner of violations of any provision of this Section, the Board shall have the right to require removal of a pet from the condominium.

(d) No garbage, trash, recycling items, or other waste shall be deposited or maintained on any part of the common elements except in areas and containers designated by the Board of Directors for such items.

(e) Except as otherwise provided by laws, no person shall install wiring for electrical or telephone installation, television antenna, telecommunication equipment, satellite dishes, machines or air conditioning units, or similar devices on the exterior of the condominium or cause them to protrude through the walls or the roof of the condominium, except with the prior written consent of the Board of Directors.

(f) No exterior window guards, awnings, or shades, or exterior lights or noise making devices shall be installed without the prior written consent of the Board of Directors.

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

(h) No person shall carry on any criminal activities in the condominium.

(i) Residential unit owners may not use a barbecue on any other portion of the condominium except in areas, if any, designated for such purposes by the Board of Directors. Parking unit owners may not use a barbecue on any portion of the condominium.

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

Section 5. Additional Rules Adopted by Board of Directors. In addition, the Board of Directors from time to time may adopt, modify, or revoke such other rules and regulations governing the conduct of persons and the operation and use of the condominium, the units, and common elements as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the condominium; the Board shall consider rules or regulations proposed by a petition of a majority of parking unit owners as provided in Article II, Section 11 of these Bylaws. Upon the written request of at least thirty percent (30%) of the residential units owners, any such rule or regulation shall be voted on by the residential unit owners at a meeting of the Association or by written ballot, and such rule or regulation may be modified or repealed by binding vote of the unit owners. A copy of the rules and regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the Secretary promptly to each unit owner and shall be binding upon all unit owners and occupants of all units from the date of delivery.

ARTICLE X

INSURANCE AND BONDS

Section 1. Insurance ("Master Policy"). For the benefit of the Association and the unit owners, the Board of Directors shall secure and maintain the following insurance coverage and shall pay for the same out of the common expense funds.

(a) Fire and Extended Coverage. A policy or policies of property insurance equal to full replacement value (i.e., one hundred percent (100%) of current "replacement" cost) exclusive of land, excavation, and other items normally excluded from coverage of a condominium project, but including all buildings, residential units, service equipment and the like and any fixture or equipment within an individual residential unit which is financed under a mortgage, with an Agreed Amount and Inflation Guard Endorsement or its equivalent, if available. Such policy or policies shall name the Declarant, the Association, and the residential unit owners as insureds and shall provide for a separate loss payable in favor of all mortgagees, their successors and assigns. Such policy or policies shall provide protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and by vandalism and malicious mischief. Such policy or policies may provide protection against loss or damage from earthquake, windstorm, water damage, and such other risks as are customarily covered in similar condominium projects. Such policy or policies shall be with an insurer with a policy holder's rating of at least B and a financial rating of not less than III (or as an alternative an A general) under Best's Insurance Reports.

(b) Liability Coverage. A comprehensive policy or policies insuring the Association, all unit owners individually, the Board of Directors, officers, and the manager, if any, against liability to the public, the unit owners, and their invitees or tenants, incident to the ownership, supervision, control or use of the property. There may be excluded from the policy required under this paragraph, 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 property as to which that unit owner has the exclusive use or occupancy. Liability insurance required under this paragraph 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. Limits of liability under such insurance policy shall not be less than One Million Dollars (\$1,000,000) on a combined single limit basis.

(c) Deductible. The amount of deductible under the foregoing policies shall be determined by the Board of Directors by adoption of a resolution, from time to time, but the deductible shall not be in excess of the greater of: (i) the maximum deductible acceptable to the Federal National Mortgage Association, or (ii) \$10,000. In setting the amount of the deductible, the Board shall consider such factors as the availability and cost of insurance, and the loss experience of the Association.

Section 2. Policy Provisions. The Board of Directors shall obtain, if reasonably available, the following terms in insurance policies:

(a) A waiver of subrogation by the insurer as to any claims against the Board of Directors, officers, the manager, any unit owner, and their respective servants, agents and guests.

(b) A provision that the policies cannot be canceled or substantially modified without at least ten (10) days prior written notice to the Association and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the policy.

(c) A provision that the master policy is primary in the event a residential unit owner has other insurance covering the same loss.

Section 3. Workers' Compensation. The Board of Directors shall obtain and maintain workers' compensation insurance to the extent necessary to comply with any applicable laws.

Section 4. Directors and Officers Liability; Fidelity Coverage. The Board may secure and maintain directors and officers liability insurance for the directors and officers of the Association; the cost of said liability coverage shall be a common expense. The Board of Directors may secure and maintain in the name of the Association as obligee, fidelity insurance to protect the Association against dishonest acts by its officers, directors, trustees and employees, and all others who shall be responsible for handling the funds of the Association; the cost of said fidelity coverage shall be a common expense.

Section 5. Settlement of Loss. All losses under policies above described shall be settled exclusively with the Board of Directors or its authorized representative. Proceeds of the policies shall be paid to the Association as trustee for the unit owners, or, upon demand of any mortgagee, to an insurance trustee acceptable to the Association and mortgagees of units. The Board may adopt a resolution that prescribes a procedure for processing insurance claims and/or a resolution that assigns responsibility for payment of charges for handling claims, as provided in the Act.

Section 6. Unit Owner's Obligations. Each unit owner shall be responsible for obtaining, at his own expense, insurance covering his property not insured under Section 1(a) and against his liability not covered under Section 1(b); provided, however, that no unit owner shall be entitled to exercise his right to maintain insurance coverage in such a way so as to decrease the amount which the Board of Directors, on behalf of the Association and all unit owners, may realize under any insurance policy which the Board of Directors may have in force at any particular time. Each parking unit owner shall maintain his own insurance for any vehicle that is parked in such owner's parking unit. Each residential unit owners must inform the Board of Directors of all improvements made by such owner to his unit which have a value in excess of Five Hundred Dollars (\$500), so that the Board of Directors may make any desired adjustments in insurance coverage.

Section 7. Unit Owner's Reimbursement. A unit owner shall promptly reimburse the Association for any expenditures incurred in repairing or replacing any portions of the common elements or units that are damaged or lost through his fault or at his direction where such damage or loss is not covered by insurance policies carried by the Association for the owner's and the Association's benefit. If such damage or loss is covered by said policies, unless and until the Board of Directors adopts a resolution that otherwise assigns responsibility for payment of the amount of deductible under the policies described in Section 1 of this Article, such unit owner will promptly pay all amounts that would otherwise be paid by the Association pursuant to the deductible clause of said policies. All such amounts to be reimbursed or paid by a unit owner shall be deemed an individual assessment imposed on that unit owner and his unit. Any resolution adopted by the Board pursuant to this subsection shall comply with the Act; such resolution may require unit owners to obtain and maintain additional insurance as provided in the Act..

Section 8. Review of Insurance Policies; Additional Insurance. At least annually, the Board of Directors shall review all insurance carried by the Association, which review shall include an appraisal of all improvements made to the condominium by a representative of the insurance carrier writing the policy or policies specified in Section 1. The Board may obtain such additional insurance coverage as it deems necessary or appropriate, from time to time, for the benefit of the Association, the unit owners, and mortgagees.

ARTICLE XI

DAMAGE AND DESTRUCTION

Section 1. Insurance Proceeds Sufficient to Cover Loss. In case of fire, casualty, or any other damage and destruction, the insurance proceeds of the master policy, if sufficient to reconstruct the property damaged or destroyed, shall be applied to such reconstruction. Reconstruction of the damaged or destroyed property, as used in this paragraph, means restoring the property to substantially the same condition in which it existed prior to the fire, casualty, or disaster, with each unit and the common element having the same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished under the direction of the Board of Directors or its designee.

Section 2. Insurance Proceeds Insufficient to Cover Loss. If the insurance proceeds are insufficient to reconstruct the damaged or destroyed property, the damage to, or destruction of, such property shall be promptly repaired and restored by the manager or the Board of Directors, using the proceeds of insurance, if any, on such property for that purpose; all parking unit owners shall be liable for assessment for any deficiency for such reconstruction of the parking units or parking

lot, and all residential unit owners shall be liable for assessment for any deficiency for such reconstruction on any other portion of the condominium, such deficiency to take into consideration as the unit owner's contribution any individual policy insurance proceeds provided by such unit owner. Provided, however, if seventy-five percent (75%) or more in value of all the property is destroyed or substantially damaged and if the residential unit owners, by ninety percent (90%) or more of all votes agree that the property shall not be repaired, reconstructed or rebuilt, then the property shall be considered removed from the provisions of the Oregon Condominium Act, and:

(a) The parking lot and parking units shall be deemed owned in common by all parking unit owners, and all other property shall be deemed to be owned in common by all the residential unit owners;

(b) The respective interest of a unit owner shall be the total of the fair market value of his unit and common element interest appertaining to such unit immediately before termination of the condominium. The proportion of any unit owner's interest to that of all unit owners shall be determined by dividing the fair market value of that unit owner's unit and common element interest by the total fair market values of all units and common element interests. The fair market value of each unit and common element interest appertaining to such unit shall be determined by:

(i) Agreement of all unit owners; or

(ii) An independent appraiser selected by the Board of Directors. The decision of the appraiser shall be distributed to the unit owners and shall become final unless within fifteen (15) days after the distribution, the Board of Directors receives written objection from residential unit owners holding at least 25% of all the votes or, in the case of parking unit owners, owning at least 25% of the parking units. In such event, a new appraiser shall be selected by the presiding judge of the circuit court for Multnomah County. Such appraiser's decision shall be final.

(c) All costs and expenses incurred under this Section shall be common expenses among the applicable unit owners.

(d) In the event any part of the property has been damaged or destroyed, the appraiser may use any available data and information pertaining to the condominium including, but not limited to, building plans, prior appraisals and information on file with governmental authorities.

(e) Liens affecting any unit shall be liens, in accordance with the then existing priorities, against the undivided interest of the unit owner in the property owned in common.

(f) Removal of the property, or any portion thereof, from the provisions of the Act shall comply with ORS 100.605 and other applicable statutes.

(g) The property owned by the applicable unit owners in common shall be subject to an action for partition at the suit of any such unit owner. If a decree of partition orders the sale of the property, the net proceeds of sale, together with the net proceeds of the policy of insurance on the property, if any, shall be considered as one fund and shall be divided among the applicable unit owners and (their mortgagees as their interests may appear) in proportion to the unit owners' respective undivided interests as determined under ORS 100.600 and 100.610 after first paying out of the respective shares of the unit owners, to the extent sufficient for the purpose, all liens on the

undivided interest in the property owned by each unit owner.

ARTICLE XII

CONDEMNATION

The Board of Directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain and to sue or defend in any litigation involving such bodies or persons with respect to the common elements of the condominium and shall assist any unit owner whose unit or a part thereof is the subject of any condemnation or eminent domain proceeding. Prompt written notice of any such proceeding shall be given to the unit owners and their mortgagees. With respect to a taking of the common elements or any part thereof, the Board of Directors shall arrange for the repair or restoration of said common elements out of the proceeds of the award unless the applicable unit owners, by ninety percent (90%) or more of all votes, agree not to repair or restore the parking lot (with respect to the parking unit owners) or the remaining common elements (with respect to the residential unit owners). In that event, the Board of Directors shall disburse the net proceeds of such award to the unit owners (and their mortgagees as their interests may appear) according to the formula and procedure prescribed herein in Article XI, Section 2. Removal of the property, or any portion thereof, from the provisions of the Act shall comply with ORS 100.605 and other applicable statutes.

ARTICLE XIII

AMENDMENTS TO BYLAWS

Amendments to the Bylaws may be proposed by any director on the Board of Directors or by at least thirty percent (30%) of the residential unit owners. The Bylaws may be amended by approval of a majority of the residential unit owners; provided, however:

(1) Any amendment which relates to age restrictions, pet restrictions, limitations on the number of people who may occupy residential units, and limitations on the rental or leasing of residential units must be approved by residential unit owners holding at least seventy-five percent (75%) of all the votes; and any amendment which relates to limitations on rights of parking unit owners under existing Bylaws must be approved by parking unit owners owning at least fifty percent of the parking units; and

(2) Declarant's written consent to any amendment shall be required until the earlier of the following dates: (a) five (5) years from the date the Declaration was recorded, or (b) the date on which seventy-five percent (75%) of the units have been conveyed to persons other than Declarant.

An amendment is not effective unless the amendment is certified by the chairperson and secretary of the Association as being adopted in accordance with the Bylaws and ORS 100.410, is acknowledged in the manner provided for acknowledgment of instruments, and is recorded in Multnomah County records. Prior to the recordation of such amendment, the Association will submit the proposed amended bylaws or amendment to a bylaw to the Oregon State Real Estate Commissioner for approval in accordance with the Act. The Commissioner's approval is not required for an amendment to the Bylaws adopted five (5) years after the Bylaws are initially recorded.

The Board of Directors, by resolution and without the further approval of unit owners, may cause restated bylaws to be prepared and recorded to codify individual amendments adopted in accordance with this Article XIII, so long as the restated bylaws comply with ORS 100.410.

ARTICLE XIV

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS

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

ARTICLE XV

MISCELLANEOUS

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

Section 2. Waiver. No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

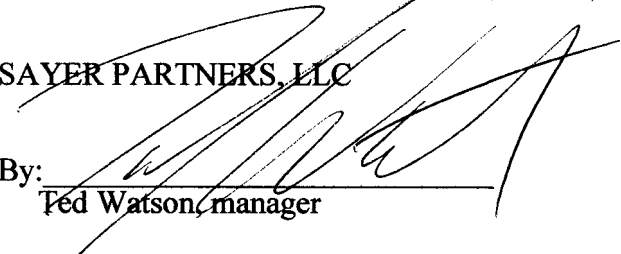
Section 3. Invalidity; Number; Captions. The invalidity of any part of these Bylaws

shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience or reference and shall in no way limit any of the provisions of these Bylaws.

It is hereby certified that these Bylaws have been adopted by the Declarant and will be recorded in the Deed Records of Multnomah County, together with the Declaration for said condominium, after said Declaration is approved by the Real Estate Commissioner's Office and the Assessor of said County.

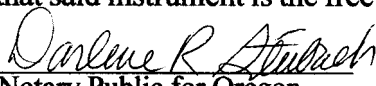
DATED this 11th day of FEBRUARY, 2008. *P.L.*

SAYER PARTNERS, LLC

By: 
Ted Watson, manager

State of Oregon)
) ss.
County of Multnomah)

On this 11th day of February, 2008, before me personally appeared Ted Watson who, being duly sworn, did say that he is the manager of SAYER PARTNERS, LLC, an Oregon limited liability company, and did further say that he executed the foregoing instrument for and on behalf of said limited liability company, and acknowledged that said instrument is the free act and deed of himself and said limited liability company.


Notary Public for Oregon
My Commission expires: 2/16/11

