

SELLER'S PROPERTY DISCLOSURE STATEMENT (Page
(NOT A WARRANTY)

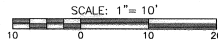
We believe these are the correct conditions and restrictions. However, no examination of the title has been made and Fidelity National Title Company assumes no liability for any additions, deletions or corrections.

BOOK 1278 , PAGE 68
MISSISSIPPI OVERLOOK CONDOMINIUM

LOT 10, BLOCK 17, "MULTNOMAH"
 LOCATED IN THE NORTHWEST QUARTER OF THE SOUTHWEST
 QUARTER OF SECTION 22, TOWNSHIP 1 NORTH, RANGE 1
 EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH
 COUNTY, OREGON
 DATE: JULY 9, 2006 SHEET 1 OF 3

SHEET INDEX

- SHEET 1 - BOUNDARY, NARRATIVE, LEGEND, REFERENCES, NOTES, CROSS SECTION, BUILDING CERTIFICATE
- SHEET 2 - NOTES, FIRST FLOOR PLAN, SECOND FLOOR PLAN
- SHEET 3 - NOTES, THIRD FLOOR PLAN, SURVEYORS CERTIFICATE, APPROVALS, DECLARATION, AND ACKNOWLEDGMENT



SURVEYOR'S LEGEND

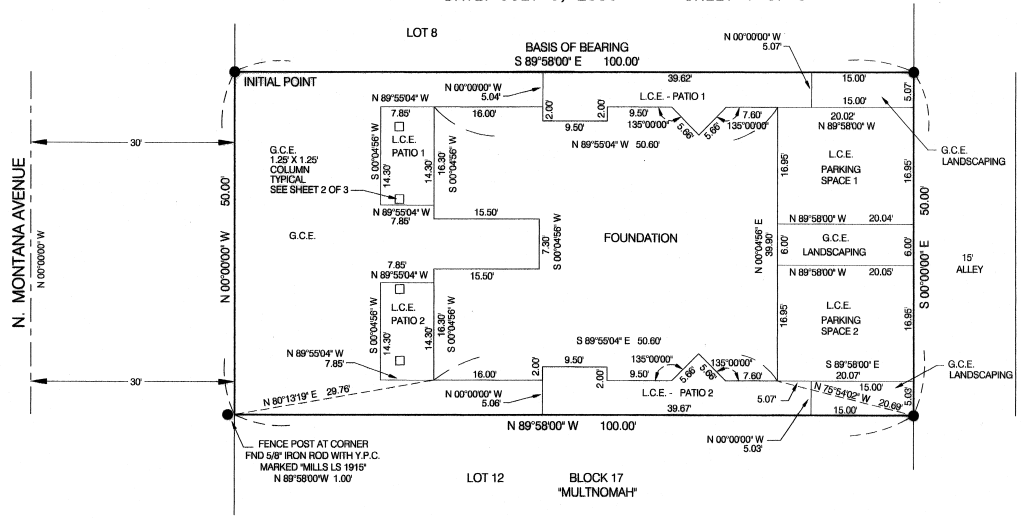
- FND 5/8" I.R. WITH Y.P.C. INSCRIBED 'MILLS LS 1915' UNLESS OTHERWISE NOTED
- FND. FOUND
- Y.P.C. YELLOW PLASTIC CAP
- G.C.E. GENERAL COMMON ELEMENT
- L.C.E. LIMITED COMMON ELEMENT
- I.R. IRON ROD

SURVEY REFERENCES

- 1. SN 60175 MULTNOMAH COUNTY SURVEY RECORDS

NOTES

1. THE BUILDING CORNERS SHOWN HEREON ARE AT RIGHT ANGLES (90 DEGREES) UNLESS NOTED OTHERWISE.
2. BUILDING WALLS SHOWN HEREON ARE GENERAL COMMON ELEMENT UNLESS NOTED OTHERWISE.
3. EXTERIOR WALLS SHOWN HEREON REFLECT THE FOUNDATION WALL AT THE FIRST FLOOR UNLESS NOTED OTHERWISE.
4. ELEVATIONS SHOWN HEREON ARE BASED ON CITY OF PORTLAND BENCH MARK NUMBER 428. SAID MARK IS A 2-1/4 INCH BRASS DISK IN CURB IN THE SOUTHEAST CORNER OF MICHIGAN AVENUE AND SKIDMORE STREET. THE ELEVATION OF SAID MARK IS 202.61 FEET, CITY OF PORTLAND DATUM.

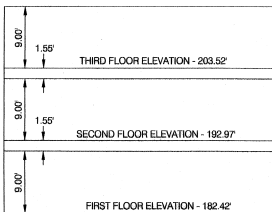


NARRATIVE AND BASIS OF BEARINGS

THE PURPOSE OF THIS SURVEY IS TO CREATE A CONDOMINIUM PLAT ON LOT 10, BLOCK 17, "MULTNOMAH".

THE BASIS OF BEARINGS AND BOUNDARY DETERMINATION FOR THIS CONDOMINIUM IS HELD PER SURVEY NUMBER 60175, MULTNOMAH COUNTY SURVEY RECORDS. ALL FOUND MONUMENTS, COURSES, AND DISTANCES ARE HELD PER SAID SURVEY UNLESS OTHERWISE NOTED.

"THIS SURVEY WAS PREPARED USING HEWLETT PACKARD PRODUCT NUMBER C4844A ON CONTINENTAL POLYESTER FILM JPC-4M2."



CROSS SECTION
 TYPICAL FOR ALL UNITS

SURVEYOR'S BUILDING CERTIFICATE

I, DAVID A. FOSTER, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE PLAT OF MISSISSIPPI OVERLOOK CONDOMINIUM FULLY AND ACCURATELY DEPICTS THE BOUNDARIES OF THE UNITS AND BUILDINGS, AND THAT THE CONSTRUCTION OF THE UNITS AND BUILDINGS AS DEPICTED ON SUCH PLAT, HAS BEEN COMPLETED AS OF AUGUST 31, 2006.

REGISTERED PROFESSIONAL LAND SURVEYOR
 David A. Foster
 OREGON
 DECEMBER 16, 1980
 DAVID A. FOSTER
 1934
 RENEWABLE ON 12/31/2006

"I HEREBY CERTIFY THAT THIS TRACING IS A TRUE AND EXACT COPY OF THE ORIGINAL PLAT"

SURVEYED BY:

FOSTER & MADDEX SURVEYING, INC.
 708 N.E. 238TH PLACE
 WOOD VILLAGE, OREGON 97060
 503-667-8307

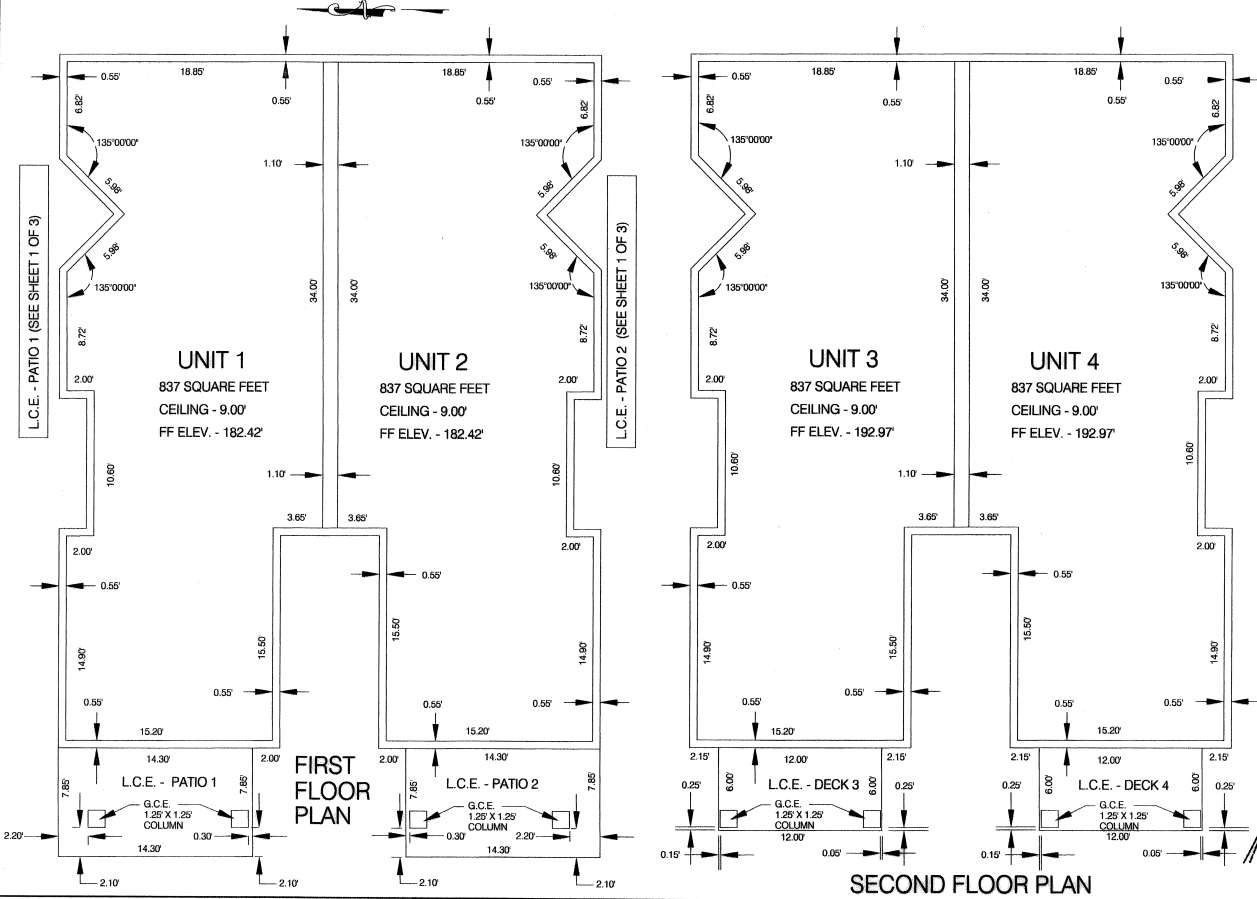
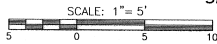


MISSISSIPPI OVERLOOK CONDOMINIUM

LOT 10, BLOCK 17, "MULTNOMAH"
 LOCATED IN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF
 SECTION 22, TOWNSHIP 1 NORTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, CITY
 OF PORTLAND, MULTNOMAH COUNTY, OREGON
 DATE: JULY 9, 2006 SHEET 2 OF 3

NOTES

1. THE BUILDING CORNERS SHOWN HEREON ARE AT RIGHT ANGLES (90 DEGREES) UNLESS NOTED OTHERWISE.
2. BUILDING WALLS SHOWN HEREON ARE GENERAL COMMON ELEMENT UNLESS NOTED OTHERWISE.
3. EXTERIOR WALLS SHOWN HEREON REFLECT THE FOUNDATION WALL AT THE FIRST FLOOR UNLESS NOTED OTHERWISE.
4. ELEVATIONS SHOWN HEREON ARE BASED ON CITY OF PORTLAND BENCH MARK 428. SAID MARK IS A BRASS DISK IN CURB IN THE SOUTHEAST CORNER OF MICHIGAN AVENUE AND SKIDMORE STREET. THE ELEVATION OF SAID MARK IS 202.61 FEET CITY OF PORTLAND DATUM.



LEGEND:
 FF - FINISHED FLOOR
 L.C.E. - LIMITED COMMON ELEMENT

"THIS SURVEY WAS PREPARED USING HEWLETT
 PACKARD PRODUCT NUMBER C4844A ON
 CONTINENTAL POLYESTER FILM JPC-A42."

REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

 OREGON
 DECEMBER 16, 1980
 DAVID A. FOSTER
 1934
 RENEWABLE ON 12/31/2006
 9/11/06

"I HEREBY CERTIFY THAT THIS
 TRACING IS A TRUE AND EXACT
 COPY OF THE ORIGINAL PLAT"

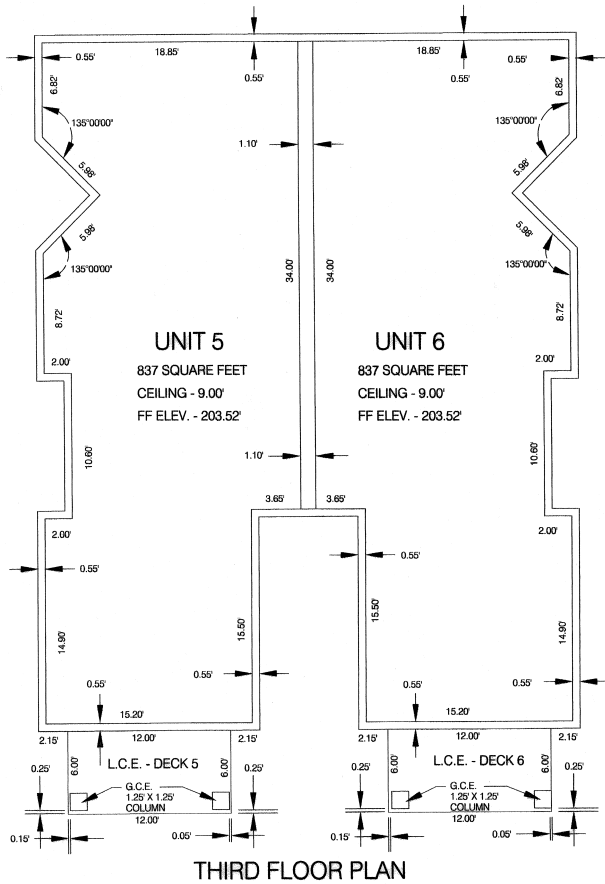
SURVEYED BY:
 FOSTER & MADLUX
 SURVEYING, INC.
 708 N.E. 238TH PLACE
 WOOD VILLAGE, OREGON 97000
 503-687-8807

MISSISSIPPI OVERLOOK CONDOMINIUM

LOT 10, BLOCK 17, "MULTNOMAH"
 LOCATED IN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF
 SECTION 22, TOWNSHIP 1 NORTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, CITY
 OF PORTLAND, MULTNOMAH COUNTY, OREGON
 DATE: JULY 9, 2006 SHEET 3 OF 3

NOTES

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SURVEYOR'S CERTIFICATE

I, DAVID A. FOSTER, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT I HAVE CORRECTLY SURVEYED AND FOUND TO BE MARKED WITH PROPER MONUMENTS THE LANDS REPRESENTED ON THE ANNEXED PLAT OF "MISSISSIPPI OVERLOOK CONDOMINIUM" BEING LOT 10, BLOCK 17, "MULTNOMAH", SITUATED IN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP ONE NORTH, RANGE ONE EAST, WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

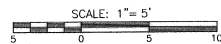
BEGINNING AT THE INITIAL POINT, A 5/8" IRON ROD WITH YELLOW PLASTIC CAP INSCRIBED "MILLS LS 1915" FOUND AT THE NORTHWEST CORNER OF SAID LOT 10; THENCE, RUNNING ALONG THE NORTH LINE OF SAID LOT 10, SOUTH 89°58'00" EAST, 100.00 FEET TO THE NORTHEAST CORNER THEREOF; SAID POINT ALSO BEING MARKED WITH A 5/8" IRON ROD WITH YELLOW PLASTIC CAP INSCRIBED "MILLS LS 1915"; THENCE, RUNNING ALONG THE EAST LINE OF SAID LOT 10, SOUTH 00°00'00" EAST, 50.00 FEET TO THE SOUTHEAST CORNER THEREOF; SAID POINT ALSO BEING MARKED WITH A 5/8" IRON ROD WITH YELLOW PLASTIC CAP INSCRIBED "MILLS LS 1915"; THENCE, RUNNING ALONG THE SOUTH LINE OF SAID LOT 10, NORTH 89°58'00" WEST, 100.00 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE, RUNNING ALONG THE WEST LINE OF SAID LOT 10, NORTH 00°00'00" WEST, 50.00 FEET TO THE INITIAL POINT.

THE LAND HEREIN DESCRIBED CONTAINS 5,000 SQUARE FEET.

DECLARATION

KNOW ALL MEN BY THESE PRESENTS THAT MISSISSIPPI OVERLOOK LLC, AN OREGON LIMITED LIABILITY COMPANY, DOES HEREBY DECLARE THE ATTACHED MAP OF "MISSISSIPPI OVERLOOK CONDOMINIUM" AS DESCRIBED IN THE ACCOMPANYING SURVEYOR'S CERTIFICATE TO BE A TRUE AND CORRECT MAP AND PLAT THEREOF, AND DOES HEREBY COMMIT SAID LAND TO THE OPERATION OF THE OREGON CONDOMINIUM ACT AS LAID OUT IN CHAPTER 100 OF THE OREGON REVISED STATUTES. THE PROPERTY AND IMPROVEMENTS DESCRIBED AND DEPICTED ON THE PLAT ARE SUBJECT TO THE PROVISIONS OF OREGON REVISED STATUTES 100.005 TO 100.065.

ZACHERY STRACHAN, MANAGING MEMBER
 MISSISSIPPI OVERLOOK LLC, AN OREGON LIMITED LIABILITY COMPANY



"THIS SURVEY WAS PREPARED USING HEWLETT PACKARD PRODUCT NUMBER C8848A ON CONTINENTAL POLYESTER FILM JPC-4M2."

LEGEND:

- FF = FINISHED FLOOR
- L.C.E. = LIMITED COMMON ELEMENT

APPROVALS

APPROVED THIS 18th DAY OF September 2006

COUNTY SURVEYOR
 MULTNOMAH COUNTY, OREGON

BY *[Signature]*

ALL TAXES, FEES ASSESSMENTS OR OTHER CHARGES AS PROVIDED BY O.R.S. 100.110 HAVE BEEN PAID AS OF September 19, 2006

DIRECTOR, DIVISION OF ASSESSMENT AND TAXATION,
 MULTNOMAH COUNTY, OREGON

BY *[Signature]*
 DEPUTY

STATE OF OREGON)
 COUNTY OF MULTNOMAH) S.S.

I DO HEREBY CERTIFY THAT THE ATTACHED CONDOMINIUM PLAT WAS RECEIVED FOR RECORD AND RECORDED September 19, 2006 AT 9:19 O'CLOCK A.M. IN BOOK 1278, ON PAGES 68-70.

MULTNOMAH COUNTY RECORDING OFFICE

BY *[Signature]*
 DEPUTY 2006-174072

DOCUMENT NO. ~~114-114-114~~

ACKNOWLEDGMENT

THIS CERTIFIES THAT ON THIS 5th DAY OF SEPTEMBER 2006, BEFORE ME PERSONALLY APPEARED ZACHERY STRACHAN, WHO BEING DULY SWORN DID SAY THAT HE IS THE MANAGING MEMBER OF MISSISSIPPI OVERLOOK LLC AND THAT HIS SIGNATURE WAS A FREE ACT AND DEED ON BEHALF OF SAID LLC.

[Signature]
 NOTARY PUBLIC

[Signature]
 NOTARY PUBLIC - OREGON

COMMISSION NUMBER 372589

MY COMMISSION EXPIRES MARCH 13, 2008

REGISTERED PROFESSIONAL LAND SURVEYOR

[Signature]
 OREGON
 DECEMBER 16, 1980
 DAVID A. FOSTER
 1534
 RENEWABLE ON 12/31/2006

"I HEREBY CERTIFY THAT THIS TRACING IS A TRUE AND EXACT COPY OF THE ORIGINAL PLAT"

SURVEYED BY:

FOSTER & MADDOX SURVEYING, INC.
 708 N.E. 236TH PLACE
 WOOD VILLAGE, OREGON 97080
 503-667-8307



Recorded in MULTNOMAH COUNTY, OREGON
C. Swick, Deputy Clerk
E41 49 ATMCS
Total : 261.00
2006-174073 09/19/2006 09:19:50am

DECLARATION SUBMITTING MISSISSIPPI OVERLOOK CONDOMINIUM
TO CONDOMINIUM OWNERSHIP

THIS DECLARATION is made and executed by Mississippi Overlook, LLC, an Oregon limited liability company, hereinafter collectively called "Declarant." Declarant desires to create a condominium to be known as Mississippi Overlook 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 Mississippi Overlook 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 therein, as the same may be amendable from time to time.
- 1.5 "Declarant" means Mississippi Overlook, LLC, an Oregon limited company.
- 1.6 "Plat" means the plat of Mississippi Overlook Condominium, recorded simultaneously with the recording of this declaration.
- 1.7 "Incorporation by Reference." Except as otherwise provided in this declaration, each of the terms used herein shall have the meaning set forth in ORS 100.004, a part of the Act.

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Ret: lawyers

2. PROPERTY SUBMITTED. Declarant owns a fee simple interest in the land and is submitting a fee simple interest hereunder. It is located in the City of Portland, Multnomah County, and is more particularly described in Exhibit A attached hereto.

The property submitted hereunder includes the land as described, all buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto.

3. NAME. The name by which the property submitted hereunder shall be known as MISSISSIPPI OVERLOOK CONDOMINIUM.

4. GENERAL DESCRIPTION OF BUILDINGS. The condominium contains six (6) units in a three (3) story building. There are two units per story, each is approximately the same square footage. The building is situated in the center of the lot. The building is constructed primarily of wood framing with metal siding. The interiors will be finished in sheet rock.

5. UNITS.

5.1 General Description of Units. There are six units, designated Unit 1, Unit 2, Unit 3, Unit 4, Unit 5 and Unit 6. Unit 1 and Unit 2 are located on the first floor; Unit 3 and Unit 4 are located on the second floor; and Unit 5 and Unit 6 are located on the third floor. Each unit encloses the square footage set forth on Exhibit B.

The dimensions, designation and location of each unit are shown in the Plat filed simultaneously herewith and made a part of this Declaration as if fully set forth herein.

5.2 Boundaries of Units. Each unit shall be bounded by the interior unfinished surface of its perimeter and bearing walls, floors and ceilings. All plaster, paneling, tiles, and surfaces thereof shall be a part of the unit and all other portions of said walls, floors or ceilings shall be part of the common elements. The unit shall include windows, window frames, exterior and interior doors, door frames, air space, non-bearing interior partitions, and all other appliances, fixtures and improvements contained therein. The unit shall include the outlet of any utility service lines, including but not limited to water, sewage, gas, electricity and ventilating ducts within the unit, but shall not include any part of such lines or ducts themselves.

5.3 Use of Units. The units shall be occupied and used by the respective owners for residential purposes for the owner, family, tenant and social guests and for no other purposes except as provided

herein. The owners of the respective units shall have the right to lease or rent the unit or any part thereof, provided that any such lease or rental agreement shall be subject to the covenants and restrictions contained in this Declaration and is further subject to the bylaws, rules and regulations of the Association.

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 unit or limited common element:

(a) The land, landscaping grounds, fences, sidewalks, patios, exterior walkways and exterior steps;

(b) The foundations, columns, girders, beams, supports, bearing and shear walls, perimeter walls, main walls, roof of the buildings, and stairways and landings;

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

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

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

6.2 Limited Common Elements. The limited common elements consist of the items described below, the use of which shall be restricted to the units to which they are reserved or assigned: parking, side yards and patios as shown on the Plat.

(a) Exterior Decks and Patios. The use of the exterior decks and patios are restricted to the unit to which each such limited common element adjoins and pertains as shown on the Plat;
and

(b) Parking Spaces. The parking space identified as Limited Common Element 1 on the Plat is assigned to Unit 1 and

the parking space Limited Common Element 2 on the Plat is assigned to Unit 2

6.3 Undivided Interest in Common Elements. To each of the units is allocated an undivided one-sixth (1/6) ownership interest in the common elements. The allocation generally reflects the relative square footage and initial values of the units. Each unit's undivided interest shall be deemed to be conveyed or encumbered with conveyance of said unit, even though interest shall be deemed to be conveyed or encumbered with conveyance of said unit, even though the description in the instrument of conveyance or encumbrance may refer only to title in the 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 unit owners 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 by 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 among the unit owners according to the allocation of undivided interest of each unit in the common elements; provided, however, that no such profits shall be distributed among the unit owners and shall be used solely for purposes of maintaining, repairing, and replacing the common elements or for other expenses of the Association. The common expenses shall be assessed to the unit owners according to the allocation or undivided interest of each unit in the common elements, provided, however, that unit owners may be assessed additional amounts individually for common expenses incurred through such unit owner's fault or direction or as otherwise provided in the bylaws.

Each unit will be entitled to a proportional undivided interest in the common elements, as shown on the attached Exhibit B. Each unit's interest in the common elements shall be inseparable from the unit and any conveyance, encumbrance, judicial sale or other transfer, voluntary or involuntary, of an undivided interest in the common elements shall be void unless the unit to which that interest is allocated is also transferred.

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 AND ENCROACHMENTS.

9.1 Right of Access. The Association, through its Board of Directors, shall have the right to have access to each 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 unit; the Association shall promptly restore the unit and repair any damage thereto caused by the access or work on the common elements. In case of any emergency originating in or threatening his or her unit, or other portions of the condominium, each unit owner hereby grants the right of entry to any person authorized by the Board of Directors or the owner of the other unit, whether or not the unit owner is present at the time.

9.2 Encroachments. Each unit and all common elements shall have an easement over all adjoining units and common elements for the purposes 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 causes, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching units and common elements so long as the encroachments shall exist, and except as otherwise provided in the Act, the rights and obligations of 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 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 unit 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). The granting of a lease easement, right of way, license or other similar interest in excess of two (2) years or consent pursuant to ORS 100.405(5) shall be first approved by at least seventy-five percent (75%) of all votes of the unit owners as required by ORS 100.405(6), however, a grant of such interest affecting the general common elements for a term of two (2) years or less shall not require approval of the unit owners. The instrument granting any such interest or consent shall be executed by the

Chairperson and Secretary of the Association and acknowledged in the manner provided for acknowledgment of such instruments by such officers and shall state that such grant or consent was approved, if appropriate, by at least seventy-five percent (75%) of all votes of the unit owners.

9.4 Utility Easement. The Association and each unit shall have an easement through each unit (and other units) and through the common elements for utility, wiring, heat, plumbing and other service elements, and for reasonable access required to effectuate and continue proper operation of the condominium. The party using this easement shall repair any damage done to a unit or the common elements caused by such use.

10. VOTING RIGHTS. The owner of each unit shall have one (1) vote. In the event a unit is owned by two or more persons jointly, the joint owners shall collectively have one vote. (See Bylaws)

11. ASSOCIATION OF 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 of the Association.

11.2 Membership; Board of Directors. Each unit owner shall be a member of the Association; membership therein shall be limited to unit owners. The affairs of the Association shall be governed by a Board of Directors. 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 exercise the care required of fiduciaries.

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 or 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 units, or b) three (3) years from the date the first unit is conveyed. Accordingly, upon the recording

of the Declaration and bylaws, the interim 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 unit owners as a group shall be in excess of three (3) 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. MORTGAGES.

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

1. "Mortgage" means a recorded mortgage or trust deed creating a lien against a unit; and
2. "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 of Association. At the request of the Board of Directors, each unit owner shall promptly supply to the Board of Directors the name and address of the mortgage or mortgages 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, the unit number or address of the mortgaged unit, shall be entitled to timely written notice of the following:

1. Any condominium or casualty loss that affects either a material portion of the condominium or the unit securing its mortgage;
2. 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;

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

4. 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 sixty-seven percent (67%) 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:

1. Voting rights;
2. Assessment liens, or the priority of assessment liens;
3. Reserves for maintenance, repair and replacement of the common elements;
4. Responsibility for maintenance and repairs;
5. Reallocation of interests in the general or limited common elements or rights to their use;
6. Redefinition of any unit boundaries;
7. Convertibility of units into common elements or of common elements into units;
8. Expansion or contraction of the condominium or the addition, annexation, or withdrawal of property to or from the condominium;

9. Insurance or fidelity bonds;
10. Leasing units;
11. Imposition of any restriction on a unit owner's right to sell or transfer his or her unit;
12. A decision by the Association to establish self-management when professional management has been required previously by eligible mortgage holders;
13. 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;
14. Any action to terminate the legal status of the condominium after substantial destruction or condemnation occurs;
or
15. 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 or Act.

12.6 Requests 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 thirty (30) 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 unit obtains title to a unit as a result of foreclosure of the first

mortgage or first trust deed, such purchaser, his successors and assigns, shall not be liable for any of the 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 unit owners, including such purchaser, his successors and assigns.

12.9 Right to Receive Written Notice of Meetings. A holder of a first mortgage 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 the holders of first mortgages of individual units have given their prior written approval, the Association shall not:

1. 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 for condemnation awards, or (2) determine the pro rata share of ownership of each unit in the common elements;
2. Partition or subdivide any unit;
3. 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;
4. By act or omission, seek to abandon, subdivide, encumber, sell or transfer the common elements. The granting of easements for public utilities or for 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
5. 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 mortgage holders (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 mortgage holder 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. Except as may otherwise be provided in this Declaration or by the Act, including ORS 100.135 and ORS 100.513(5), the Declaration may be amended if such amendment is approved by seventy-five percent (75%) or more of all votes of the unit owners. No amendment may change Section 5.3 unless such amendment has been approved by the votes of ninety percent (90%) or more of all votes of the unit owners. No amendment may change the allocation of undivided interest in the common elements, method of determining liability for common expenses, right to common profits, or voting rights of any unit unless such amendment has been approved by the owners of the affected units and the holders of any mortgage or trust deed on such unit. 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 mortgages.

13.2 Recordation. Except as provided in ORS 100.515(5), 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 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 (2) years from the date of approval by the Real Estate Commissioner, the approval shall automatically expire and the amendment must be resubmitted for approval.

14. DECLARANT'S RIGHTS.

Notwithstanding any provisions 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 or 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 units have been conveyed to persons other than Declarant.

14.2 Assessments for Additional Capital Improvements. No 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 for five (5) years from the date this Declaration is recorded.

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 obligations of Declarant, and/or carrying out sales and rentals of units and advertisements thereof, including posting signs on the property. Declarant shall have the right to use 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 provisions 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.

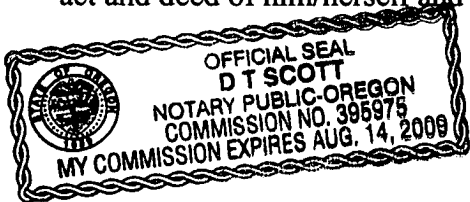
IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 31st day of August, 2006.

Mississippi Overlook, LLC, an Oregon limited liability company

By [Signature]
Member

STATE OF OREGON)
) ss.
County of Multnomah)

On this 31st day of Aug., 2006, before me personally appeared Zachary Sturman who, being duly sworn, for him/herself, did say that he/she is a member of Mississippi Overlook, LLC, an Oregon limited liability company, and did further say that he/she 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 him/herself and said limited liability company.



[Signature]
NOTARY PUBLIC FOR OREGON
My Commission Expires: 8-14-2009

The foregoing Declaration is approved this 19th day of September, 2006

By: [Signature]
Assessor and Tax Collector to
Multnomah County, Oregon

The foregoing Declaration is approved pursuant to ORS 100.110 this 31st day of August, 2006, 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.

by [Signature]
Real Estate Commissioner

DECLARATION -
MISSISSIPPI OVERLOOK CONDOMINIUM

"EXHIBIT A"

Lot 10, Block 17, MULTNOMAH, situated in the Northwest one-quarter of the Southwest one-quarter of Section 22, Township 1 North, Range 1 East, of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, being more particularly described as follows:

Beginning at the initial point, a 5/8 inch iron rod with yellow plastic cap inscribed "MILLS LS 1915" found at the Northwest corner of said Lot 10; thence running along the North line of said Lot 10, South 89° 58' 00" East, 100.00 feet to the Northeast corner thereof, said point also being marked with a 5/8 inch iron rod with yellow plastic cap inscribed "MILLS LS 1915"; thence running along the East line of said Lot 10, South 00° 00' 00" East, 50.00 feet to the Southeast corner thereof, said point also being marked with 5/8 inch iron rod with yellow plastic cap inscribed "MILLS LS 1915"; thence running along the South line of said Lot 10, North 89° 58' 00" West, 100.00 feet to the Southwest corner thereof; thence running along the West line of said 10, North 00° 00' 00" East, 50.00 feet to the initial point.

EXHIBIT B

Unit 1 encloses 837 square feet.	one-sixth undivided interest in common elements
Unit 2 encloses 837 square feet.	one-sixth undivided interest in common elements
Unit 3 encloses 837 square feet.	one-sixth undivided interest in common elements
Unit 4 encloses 837 square feet.	one-sixth undivided interest in common elements
Unit 5 encloses 837 square feet.	one-sixth undivided interest in common elements
Unit 6 encloses 837 square feet.	one-sixth undivided interest in common elements

LIMITED COMMON ELEMENT

Unit 1	LCE Parking Space 1	LCE Patio 1
Unit 2	LCE Parking Space 2	LCE Patio 2
Unit 3		LCE Deck 3
Unit 4		LCE Deck 4
Unit 5		LCE Deck 5
Unit 6		LCE Deck 6

**BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF
MISSISSIPPI OVERLOOK CONDOMINIUM**

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. Name and Location. These are the bylaws of the unincorporated ASSOCIATION OF UNIT OWNERS of Mississippi Overlook Condominium (hereinafter the "Association"). Mississippi Overlook 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 Mississippi Overlook 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 unit owners 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, all unit owners, 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 unit owners of the Condominium; including the Declarant and the Association itself, to the extent any of these own any units of 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. Upon approval by a majority vote of the unit owners, the Association may be incorporated under the Oregon Non-Profit Corporation law. In such event, the Articles of Incorporation shall be consistent with the Declaration, and these Bylaws shall constitute the Bylaws of the incorporated Association.

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 unit, said owners shall automatically be a member of the Association and shall remain a member of the Association until such time as his/her ownership ceases for any reason. Unit ownership shall be determined, for all purposes of the Bylaws and the administration of the property, from the record of unit ownership maintained by the Association. The Board of Directors may, at its discretion, require that a unit owner file with the Association satisfactory proof of ownership, including a copy of the deed to or land sale contract for his/her 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 units, although no deed or land sale contract, with respect to such units, has been filed with the Association.

Section 2. Voting. The owner or co-owners of each Unit shall have one vote. The Declarant shall be entitled to vote as to any units owned by the Association. Whenever any unit is owned by two or more persons jointly, according to the records of the Association, the vote or proxy of such unit may be exercised by any one of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of such unit owner 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 the 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 unit owners, present in person or by proxy, at a meeting at which a quorum is constituted. Such binding vote shall bind all unit owners 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 unit owners" means more than fifty percent (50%) of all votes allocated to the units by the Declaration. The term "percent of all votes" shall mean a percent of all the voting rights allocated to the units by the Declaration.

Section 5. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of unit owners who own **four (4)** units shall constitute a quorum. A subsequent joinder of a unit owner in the section 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 unit owner or 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 by Article III, Section 8 of these Bylaws.

Section 6. Proxies. A vote may be cast in person or by proxy, but not by absentee ballot. A proxy given by a unit owner to any person who represents such owner at meetings of the Association shall be in writing, dated, signed by such owner, and shall be filed with the Secretary. A 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. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one year after its date unless the proxy specified a shorter term, and every proxy shall automatically cease upon sale of the unit by its owner. A unit owner may pledge or assign his voting rights to a mortgagee. In such case, the mortgagee or its designated representative shall be entitled to receive all notices to which the unit owner is entitled hereunder and to exercise the unit 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. Any mortgagee may designate a representative to attend all or any meetings of the Association.

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 unit owner or held in a fiduciary capacity, whether or not the same shall have been transferred to the fiduciary, if the person satisfied the Secretary that the person is the executor, administrator, guardian or trustee holding the unit in a fiduciary capacity.

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

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.

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

Section 3. Turnover Meetings. 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 units, or (b) three (3) years from the date the first unit is conveyed, the Declarant shall call a meeting of the unit owners for the purpose of transferring control of the Association to all unit owners, including Declarant. Notice of such meeting shall be given to each 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 and successor directors will be selected by the unit owners as provided in Article IV, Section 3 of these Bylaws. At such meeting the Declarant shall deliver to the Association such information and documents as may be required by the Act.

The 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 unit owner or any first mortgagee of a unit.

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 on at least three mutually acceptable dates to review the documents delivered to the Association.

Section 4. Annual Meeting. The Association shall hold at least one meeting of the unit 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 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. 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 unit owners may also transact such other business of the Association as may properly come before them.

Section 5. 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 unit owners, according to their voting rights, 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. The notice of any special meeting shall comply with Section 7 below. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all the unit owners, or as otherwise set out in these Bylaws.

Section 6. Notice of Meetings. Notices of meetings shall state whether the meeting is to be held at a formal gathering or by ballot, 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, mail or email a notice of each meeting of the unit owners to each 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 unit owner or to the address designated to the Secretary in writing by the unit owner. If unit ownership is split or the unit has been sold on a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. 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 unit owner before or after the meeting.

Section 7. Additional Meetings. If any gathering of unit owners is not a legal meeting because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours or 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 provision of this Section does not apply to meetings by ballot.

Section 8. 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 unit 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) Election of directors.
- (g) Unfinished business.
- (h) New business.

(i) Adjournment.

Section 9. 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. If the Board decides to utilize the written ballot, the Board shall comply with ORS 100.425.

ARTICLE IV

BOARD OF DIRECTORS
QUALIFICATIONS, ELECTION, MEETINGS

Section 1. Number and Qualifications. 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 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 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 Directors. Upon the recording of the Declaration, the Declarant will appoint an interim board of three directors who shall serve until replaced by Declarant or until his or her successor has been appointed by the unit owners as hereinafter provided.

Section 3. Selection and Term of Office. At the turnover meeting, the interim director shall resign and the owner or owners of the units shall elect, by binding vote, three directors to the Board of Directors. Each director shall have equal voting power on the Board of Directors. The term of office of each director shall be one (1) year, except that the term of the Chairperson elected at the turnover meeting shall be two (2) years. Thereafter, the term shall be one (1) year. Any director may be re-elected to successive terms. The directors shall hold office until their successors have been appointed and hold their first meeting.

Section 4. Vacancies, Removal. A vacancy on the Board of Directors for any reason other than failure to attend three consecutive meetings of the Board of Directors, shall be filled by appointment of a new director by the unit owner whose prior appointee has created the vacancy on the Board. Vacancies in the interim Board of Directors shall be filled by Declarant.

Section 5. Open Meetings. All meetings of the Board of Directors shall be open to unit 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; and (c) the negotiation of contracts with third parties. 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 and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to unit owners.

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 one (1) director. Special meetings of the Board of Directors may be called on three (3) days' notice to each director, given personally or by mail, telephone, telegraph, facsimile or email, which notice shall state the time, place and purpose of the meeting.

Section 9. Conference Call Meetings. In emergency situations, meetings of the Board of Directors may be conducted by telephonic communication. Such telephonic meetings may be carried on by means of a "conference call," in which each director may speak with any of the other directors. The directors shall keep telephone numbers on file with the Chairperson to be used for telephonic 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 of Directors shall be a waiver of notice by him or her at the time and place thereof. If all the directors are present at any meeting of the Board of Directors, no notice to such directors shall be required, and any business may be transacted at such 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 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. 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 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 unit owner. The Secretary and Treasurer need not be unit owners.

The Board may, at any time, appoint an Assistant Secretary and an Assistant Treasurer, 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 or her replacement 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 or she shall preside at all meetings of the Association and of the Board of Directors. He or she shall have all of the general powers and duties which are usually vested in the chief executive officer of an association, including, but not limited to, the power to appoint committees from among the unit owners from time to time as he or she may, in his or her discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

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/she shall attend to the giving and serving of all notices to the unit owners and

directors. He/she shall have charge of such records of the Association as the Board may direct, and he/she 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/she shall be responsible for the preparation of all required financial statements. He/she shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of, the Association in such depositories as may from time to time be designated by the Board of Directors. He/she 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 unit owners.

ARTICLE VI

ASSOCIATION RESPONSIBILITIES; BOARD OF DIRECTORS' POWER AND DUTIES

Section 1. Association Responsibilities. The Association 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 the supervising of 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 his own name or on behalf of two or more unit owners with respect to any cause of action relating to the Condominium or more than one 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 unit owners; specifically and without limitation, the Board of Directors shall 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 unit owners in the Declaration or these Bylaws.
- (b) Determination for 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.
- (c) Collection of assessments from the unit owners, both prorata assessments and individual assessments.
- (d) Payment of all common expenses of the Association and institution and maintenance of a voucher system for such payments, 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 units of the Condominium at foreclosure or other judicial sales in the name of the Association, or its designee, on behalf of all unit 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 liens and costs and expenses incurred in such action. No other purchase of a unit can be undertaken unless the unit owners have authorized the purchase by majority vote.
- (i) Selling, leasing, mortgaging, voting the votes appurtenant to, or otherwise dealing with units of the Condominium acquired by the Association or its designee on behalf of all unit 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 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 unit owners, leases, easements, right of ways, licenses and other similar interest 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 unit 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).

(m) 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.

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

(o) 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 distributed by the Board of Directors to all unit owners, and to all mortgagees of 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 unit owner or mortgagee may, at his/her 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 reasonably available for examination by a unit owner or a mortgagee; upon written request from the unit owner or mortgagee, such records and documents shall be made available for duplication. The Board shall maintain copies, suitable for duplication, of the Declaration, Bylaws, rules and regulations (and amendments thereto), current operating budget, and the most recent annual report. Upon written request of a prospective purchaser, such copies and documents shall be made available for duplication during reasonable hours. The Board may charge a reasonable fee, including reasonable personnel costs, for furnishing copies to a unit owner, mortgagee or prospective purchaser.

(d) The Association shall provide, within ten (10) business days of receipt of a written request from a unit 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, (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 payments or the amount of 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.

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 unit owner, individually or collectively with other unit owners, for the management or lease of a particular unit or units.

Section 5. Annual Report. After the turnover meeting described in Article III, Section 3, has been held, the Board of Directors 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 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 related 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 proscribed 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 shall require by rule.

Section 6. Legal Proceedings.

(a) *Prior to Initiation of Legal Proceedings.* Before initiating litigation or any administrative proceeding in which the Association and a unit 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 ten (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 the 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 thirty (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 with thirty (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 unit 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 non-monetary relief regarding matters that affect the common interests of the unit 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 units or interest of unit owners, including but not limited to damage, destruction, impairment or loss of use of a 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 unit owners in writing to the Association. The notice shall, at a minimum: (A) inform each owner of the general nature of the litigation or proceeding; (B) describe the specific nature of the damages to be sought on the 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 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 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 unit owners with respect to any cause of action relating to the condominium or more than one unit, and the Board of Directors' failure to do so shall not be deemed a breach of fiduciary duty.

(d) *Majority of 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 unit owners unless such legal action has been approved by majority vote 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 shall be deposited in one or more separate bank accounts, located within the State of Oregon, in the name of the Association. All expenses shall be paid from the Association's bank account, except those for which Declarant is responsible pursuant to Section 2(b) below.

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 unit, the Declarant shall pay (i) assessments due for common expenses on all unsold units; and (ii) assessments due for reserves on all unsold units.

(b) Except with respect to reserves described in Subsection (b) below and Section 5 of this Article, Declarant may elect to defer commencement of all or part of common expense assessments as to all 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 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 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 (3) years from the date the Declaration is recorded. The Declarant shall pay reserves, including any deferred reserves, within thirty (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. Common expenses shall include:

- (a) Expenses of administration.
- (b) Expenses of maintenance, repair or replacement of common elements.
- (c) Costs of insurance or bonds obtained in accordance with these Bylaws.
- (d) Cost of funding reserves.
- (e) Any deficit in common expenses for any prior period.
- (f) Utilities for the common elements and other utilities with a common meter or commonly billed, such as sewer and water (including hot water).

(g) Any other items properly chargeable as an expense of the Association or properly assessed against a unit owner or owners as provided herein.

(h) Any other items agreed upon as common expenses by all unit owners.

Section 4. Annual Budget. The initial budget and estimated assessment shall be determined by Declarant. The budget and assessment 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, adopt the annual budget for such year or period, and determine the annual assessment and any special assessments to be paid during such year or period. 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 and special assessments. Account shall be taken of any expected income and any surplus available from the prior year's operations. The budget may provide for reserves for working capital and unexpected contingencies. If any sums estimated and budgeted for any purpose prove inadequate for any reason (including a unit owner's failure to pay assessments for any reason), the Board may at any time levy a further assessment.

Section 5. Reserve Accounts for Replacement of Common Elements. The initial budget provided by Declarant shall make provision for a reserve account or accounts for replacement of those common elements, all or a part of which will normally require replacement in more than three (3) and less than thirty (30) years, for exterior painting if the common elements included exterior painting surfaces, and for such items (if any), as may be required by the Declaration or these Bylaws or that the Board, in its discretion, may deem appropriate. The amount assessed shall take into account the estimated remaining life of such items and the current replacement cost thereof. 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 for the parking space shall be funded by assessments against the individual units to which the parking areas are assigned. The reserve account need not include those items that could reasonably be funded from operating assessments. The reserve account need not include those limited common elements for which maintenance and replacement are the responsibility of a specific unit owner under the provisions of the Declaration or these Bylaws.

The amount of payments to the reserve account shall be adjusted at least annually to recognize changes in current replacement costs over time. The Board annually shall conduct a reserve study, or review and update any existing study, of the common elements, to determine the reserve account requirements and may adjust the amount of payments in accordance with the study or review, and/or provide for other reserve items that the Board, in its discretion, may deem appropriate. The reserve study shall include:

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

The assessment for the reserve account will accrue from the time of the conveyance of the first individual unit assessed. The reserve account shall be established in the name of the Association. It is to be used only for the purposes for which reserves have been established and is to be kept separate from other funds of the Association. Notwithstanding the foregoing: After the turnover meeting, The Board of Directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet unexpected increases in expenses which will later be paid from assessments if the Board has adopted a resolution, which may be an annual continuing resolution, authorizing the borrowing of funds, not later than the adoption of the budget for the following year, the Board shall adopt by resolution a 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.

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

Section 6. Special Assessments for Capital Improvements. In the case of any duly authorized capital improvements to the common elements, the Board of Directors may establish separate assessments for the same and maintain the proceeds from such assessments in separate accounts.

Section 7. Assessments Allocated for Capital Improvements. Except as otherwise provided, all unit owners shall be assessed in accordance with the undivided interest in the common elements allocated to each unit by the Declaration. However, the costs of maintenance, repair, replacement, and reserves for the parking spaces shall be allocated to the units to which the parking spaces are assigned. Further, unit owners may be assessed additional amounts individually for common expenses incurred through such unit owner's fault or direction or the fault or direction of such unit owner's tenants; and

unit owners may be assessed additional amount 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 of Directors 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 unpaid portions or 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 obligations 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. The Association, upon complying with ORS 100.450 or as the same may be amended, shall have a lien upon the individual unit and undivided interest in the common elements appertaining to such unit for any unpaid assessments and interest. The lien shall be prior to all other liens or encumbrances upon the unit except:

- (a) tax and assessment liens;
- (b) a prior mortgage or trust deed of record; and
- (c) notwithstanding subparagraph (b) above, the Association's lien shall also be prior to the lien of any prior 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;"

(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;

(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;

(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 ORS 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 filed to secure unpaid assessments in the following circumstances:

(a) When 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 assessment 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 unit owners, including such purchaser, his successors and assigns.

(b) In a voluntary conveyance of a unit, the grantee shall be jointly and severably 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. However, upon request of a prospective purchaser, the Board of Directors shall make and deliver a statement of the unpaid assessments against the prospective grantor of the unit, and the grantee in that case shall not be liable for, nor shall the unit, when conveyed, be subject to a lien filed thereafter for any unpaid assessments against the grantor in excess of the amount therein set forth.

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 grounds 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 elements 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 assessments and, after giving notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws and rules and regulations adopted pursuant thereto; provided, however, that the charge imposed or fine levied must be based on a resolution, which may be a continuing resolution, that is adopted by the Board and is delivered to each unit, either by mailing to the mailing address of each unit or mailed to the mailing addresses designated by the owners 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 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 restrictions in Article VI, Section 2(h).

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. Termination of Utility Services or Access to Facilities. The Board of Directors may adopt rules regarding the termination of utility services paid for out of assessments of the Association and, after giving written notice and an opportunity to be heard, terminate the rights of any owners to receive such benefits until the correction of any violation covered by such rule has occurred.

Section 9. 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 hereunder, 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; the Board shall provide the delinquent unit owner with written notice of the amount of attorney's fees that have been incurred within sixty (60) days after incurring them.

ARTICLE IX

MAINTENANCE AND USE OF CONDOMINIUM PROPERTY

Section 1. Maintenance and Repair.

(a) Each 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 unit owners, and shall be responsible for the damages and liabilities that his failure to do so may cause.

(b) Each unit owner shall be responsible for the repair, maintenance, or replacement of windows, doors, and any plumbing, furnaces, furnace ducts, other heating or air conditioning fixtures, telephones, water heaters, fireplaces (including the firebox but not the flue, chimney or vent) fans, lighting fixtures and

lamps, refrigerators, dishwashers, ranges, ovens, washers, dryers, or other appliances and accessories that are located in and used exclusively for his unit, regardless of whether such items are designated as common elements.

(c) Each unit owner shall keep the decks, any exterior areas that are assigned to his unit as a limited common element, in a neat, clean, safe and sanitary condition.

(d) Each unit owner of a unit to which a Parking Area is assigned as a limited common element, shall keep the Parking Area in a neat, safe and sanitary condition.

(e) A unit owner shall promptly reimburse the Association for any expenditures incurred in repairing or replacing any common element damaged through his fault or at his direction or at the fault or direction of his tenant, as provided in Article X, Section 7 of the Bylaws.

(f) All other maintenance, repair and replacement to the general and limited common elements (including the fireplace flues, chimneys and vents) shall be made by the Association as a common expense (with the allocations described in Article VII of the Bylaws).

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

(a) The units shall be occupied and used by the respective owners primarily for residential purposes for the owner, family, tenant and social guests, and for no other purposes except as provided herein. However, any unit also may be used for general office, retail (excluding restaurants, cafes and bars) and studio use provided the owner of such unit complies with all governmental agency rules and regulations regarding the use and with the Bylaws and rules and regulations of the Association. A unit owner shall have the right to lease or rent the unit; provided, that if the unit owner will not also occupy the unit during the rental period, the unit owner shall have the rented unit managed by a professional property manager during the rental period unless the Board of Directors consents otherwise in writing; and provided further, that the foregoing requirement for professional management shall not apply to Declarant. 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 in 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 in enforcing the Declaration, Bylaws and rules and regulations with respect to such tenant.

(b) Except as provided in Section 9.5 of the Declaration, a 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 unit owners affected is first obtained. Subject to this limitation, however, a unit owner may:

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

(ii) After acquiring an adjoining unit or an adjoining part of an adjoining unit, any owner 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 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. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries.

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, which shall not be unreasonably withheld, no advertisements, posters, 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 or amplifiers that disturb residents in other units.

(c) No pets of any kind shall be raised, kept or permitted within the condominium, or any part thereof, for commercial purposes. The owners of each unit shall have no more than one dog or two cats in the condominium at any one time. 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 garments, rugs or similar items shall be hung from the windows or from any of the facades or decks of the condominium. It is prohibited to hang or to shake dust rags, mops and similar items from the windows or decks, or to clean such items by beating them on an exterior part of the building.

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

(f) No person shall install wiring for electrical or telephone installation, television antennae, 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. No exterior window guards, awnings or shades, 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 to 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) Except as permitted by Section 2 herein, 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 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 unit.

(i) No portion of the condominium or the common areas of the condominium shall be used for barbequing without the consent of the Board of Directors.

(j) The unit owners to which a Parking Area is assigned as a limited common element shall have the right to park automobiles, pickups, motorcycles and bicycles on any portion of the Parking Area so long as no such vehicle interferes with the use of another Parking Area. No trucks, campers, motor homes, trailers, boats or similar recreational vehicles may be parked on any portion of the condominium without the prior written approval of the Board of Directors, which approval may be revoked at any time. No inoperable vehicles may be parked on any portion of the condominium at any time.

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

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 any use and enjoyment of the condominium. Upon the written request of unit owners representing at least thirty percent (30%) of the vote of the unit owners, any such rule or regulation shall be voted on by the 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 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, units, service equipment and the like and any fixture or equipment within an individual unit which is financed under a mortgage, with an Agreement and Inflation Guard Endorsement or its equivalent, if available. Such policy or policies shall name the Declarant, the Association and the 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 standard extended coverage endorsements 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 or 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, the unit owners individually, the Board of Directors, 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) *Workers' Compensation.* Workers' compensation insurance to the extent necessary to comply with any applicable laws.

Section 2. Policy Provision. 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, the manager, any unit owner and their respective servants, agents or guests.

(b) A provision that the policies cannot be cancelled 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 the unit owner has other insurance covering the same loss.

Section 3. Fidelity Coverage. 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 4. Directors' and Officers' Liability. The Board of Directors 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.

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 Associations and the mortgagees of units.

Section 6. Unit Owners' Obligations. Each unit owner shall be responsible for obtaining, at his or her own expense, insurance covering his or her property not insured under Section 1(a) and against his or her liability not covered under Section 1(b); provided, however, that no unit owner shall be entitled to exercise his or her right to maintain insurance coverage in such a way 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. Additionally, each unit owner must inform the Board of Directors of all improvements made by such owner to his or her 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 Owners' Reimbursement. A unit owner will 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 or her fault or at his or her 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, the 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.

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 elements 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 proceeds of insurance, if any, on such property for that purpose, and all the unit owners shall be liable for assessment for any deficiency for such reconstruction, such deficiency to take into consideration the unit owner's contribution to 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 unit owners, by ninety percent (90%) or more or 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 property shall be deemed to be owned in common by all the unit owners;

(b) The respective interest of a unit owner shall be the total of the fair market value of his or her 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 unit owners holding at least twenty-five percent (25%) of all the votes. 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.

(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 applicable statutes.

(g) The property shall be subject to an action for partition at the suit of any 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 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 unit owners, by ninety percent (90%) or more of all votes agree not to repair or restore said common elements. 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 the 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 unit owners. The Bylaws may be amended by approval of a majority of the unit owners, provided, however:

(1) Any amendment which relates to age restrictions, pet restrictions, and limitations on the number of people who may occupy units, must be approved by unit owners holding at least seventy-five percent (75%) of all the votes; and limitations on the rental or leasing of units must be approved by at least ninety percent (90%) of all the votes; 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 total number of units which Declarant may submit to the condominium have been conveyed to persons other than Declarant.

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. If approved, said amendments shall be recorded in Multnomah County. The Commissioner's approval is not required for an amendment to the Bylaws adopted five (5) years after Bylaws are initially recorded.

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 amount paid in settlement actually and reasonably incurred by said person in connection with such unit, action, proceeding, or appear therefrom, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association and, with respect to any criminal action or proceedings, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of no contest or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe his or her conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit or proceeding as and when incurred, subject only to the right of the Association to seek reimbursement of any such payment, should it be proven at a later time that said person had not 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 benefited from the acts which created said liability.

ARTICLE XV

MISCELLANEOUS

Section 1. Notices. All notices of the Association or to the Board of Directors shall be sent in care of the managing agent, or if there if 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 affect 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 declaration of _____, and will be recorded in the Deed Records of Multnomah County, Oregon 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.

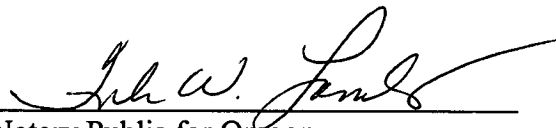
DATED this 5TH day of SEPTEMBER, 2006.

By: _____

By: _____

STATE OF OREGON)
) ss.
County of Multnomah)

On this 5TH day of SEPTEMBER, 2006, before me personally appeared ZACHARY STRACHAN, who being duly sworn, for him/herself, did say that he/she is a member of Mississippi Overlook, LLC and did further say that he/she 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 him/herself and said limited liability company.



Notary Public for Oregon
My commission expires: 3-13-08

