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I, Jerry Hanson, Director of Assessment and Taxation
and Ex-Officio County Clerk for Washington County,
Oregon, do hereby certify that the within instrument of
writing was received and recorded in the book of
records of said county.

Jerry R. Hanson
Jerry R. Hanson, Director of Assessment and Taxation,
Ex-Officio County Clerk



After Recording, Please Return To:
Thomas J. Arenz, Esq.
Brownstein, Rask, et al
1200 SW Main Building
Portland, OR 97205

**DECLARATION
SUBMITTING ELMONICA STATION CONDOMINIUMS
TO THE OREGON CONDOMINIUM ACT**

THIS DECLARATION is made and executed by Willamette Builders Group at Elmonica Station, LLC, an Oregon limited liability company ("Declarant").

Declarant desires to create a residential condominium to be known as Elmonica Station Condominiums ("Elmonica Station"), which will be located in the City of Beaverton, Washington County, Oregon. The purpose of this Declaration is to submit the land, all buildings, improvements, and structures thereon, easements, and any rights and appurtenances located on, belonging to or used in connection with such land, of the Elmonica Station Condominiums 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 in this Declaration, the following terms shall have the following meanings:

1.1 **"Act"** means the Oregon Condominium Act (ORS Chapter 100).

1.2 **"Association"** means the Association of Unit Owners at Elmonica Station Condominiums.

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 **"Building"** means the Building in which the Units are located as shown on the Plat.



1.5 **"Bylaws"** means the Bylaws of the Association of Unit Owners, attached hereto as Exhibit F, as the same may be amended from time to time.

1.6 **"Common Elements"** means all those portions of the Condominium exclusive of the Units.

1.7 **"Condominiums"** means all of that property, including all improvements, easements and appurtenant rights to or on the Property, submitted to the condominium form of ownership by this Declaration.

1.8 **"Condominium Documents"** means this Declaration and the Bylaws, together with any amendments and any exhibits to any of them.

1.9 **"Declarant"** means Willamette Builders Group at Elmonica Station, LLC an Oregon limited liability company and its successors and assigns.

1.10 **"Declaration"** means this Declaration and any amendments to it.

1.11 **"Eligible Mortgage Insurer or Guarantor"** means an insurer or governmental guarantor of a first mortgage on a Unit who has requested notice of certain matters from the Association in accordance with Section 13 of this Declaration.

1.12 **"Eligible Mortgage Holder"** means a holder of a first mortgage or of a Unit who has requested notice of certain matters by the Association in accordance with Section 13 of this Declaration but shall not include a contract vendor.

1.13 **"Limited Common Elements"** means those Common Elements designated in Section 6.2 herein to be reserved for the exclusive use of a Unit.

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

1.15 **"Owner"** or **"Unit Owner"** shall mean the person owning the fee simple interest in a Unit, unless there is a holder of a vendee's interest in a Unit under a recorded contract of sale or a holder of a life estate or a leasehold estate in a Unit for a term exceeding 20 years, in which event the vendee or lessee, as the case may be, shall be considered the Owner. If there is more than one such vendee's or lessee's interest at any given time, then the holder of the most recent interest shall be considered the current Owner.

1.16 "Plat" means the Plat of the Elmonica Station Condominiums, recorded simultaneously with the recording of this Declaration in the records of Washington County, Oregon, and any such Plat subsequently recorded.

1.17 "Unit" means the airspace and improvements encompassed by the undecorated interior surface of the perimeter walls, floors and ceilings which is owned in fee simple by each Unit Owner and which is more specifically described Section 5.2 of this Declaration and, as the context requires, the accompanying undivided interest in Common Elements.

1.18 Incorporation by Reference. Except as otherwise provided in this Declaration, each of the terms used herein shall have the meaning set forth in ORS 100.005, a part of the Oregon Condominium Act.

2. SUBMISSION OF PROPERTY TO CONDOMINIUM STATUTE.

Declarant has a fee simple interest in the land submitted hereunder. The land submitted to the Oregon Condominium Act by this Declaration is located in the City of Beaverton, Washington County, Oregon, and is more particularly described in Exhibit A attached hereto. The property submitted hereunder includes the land so described, all Buildings, improvements and structures thereon, and all easements, rights and appurtenances located on, belonging to or used in connection with such land.

3. NAME. The name by which the Condominium shall be known is "Elmonica Station Condominiums."

4. DESCRIPTION OF STAGED DEVELOPMENT. The Declarant proposes to develop the Condominium in several stages with the maximum number of square feet, maximum number of stages, and the additional Common Elements and election dates, as follows:

4.1 The maximum number of Buildings with six (6) Units each shall be twenty (20). All Buildings shall be three (3) stories and shall have no basements.

4.2 The maximum number of Units to be included in the Condominium development is one hundred twenty (120) with a maximum total number of square feet of 154,120 and a maximum total number of square feet of living area of 131,680. All Units are subject to this Declaration (as supplemented).

4.3 The maximum number of stages in the development, including the initial stage, is five (5). The first stage shall consist of one (1) Building. The second stage shall consist of four (4) Buildings. Each of the next three (3) stages shall consist of five (5) or more Buildings each. More than one stage may be developed as a single stage.



4.4 Up to forty-six (46) parking spaces will be provided as additional common elements, forty-four (44) of which will be assigned to the one-bedroom Units as designated on Exhibit B attached hereto.

4.5 Additional general Common Elements to be annexed at each stage of development shall include land and landscaping and the portion of the Condominium Buildings not included within a Unit or a Limited Common Element. Except as provided below, it is anticipated that additional Common Elements will not substantially increase the proportioned amount of the common expenses payable by the existing Unit Owners. The annexation will have an effect on the allocation of interest in the common elements and voting rights of the existing Unit Owners.

4.6 In each of the stages, the Declarant reserves the right to construct Units of different floor plans with either larger or smaller floor areas than those in the first stage. However, the quality of construction and the exterior style of the Buildings in each subsequent stage will be compatible with those of the first stage. Limited Common Elements of such Units are expected to be substantially similar to those in the first stage.

4.7 The Declarant reserves the right to annex additional land to become part of the general Common Elements of the Condominium. Such land shall be owned and maintained in like manner to other general Common Elements. The proposed use of such additional land may be open space or for the purpose of complying with land use, zoning and building restrictions, including without limitation any setback or similar restrictions. Should any additional lands be annexed, there is not expected to be a substantial increase in the proportional amount of common expenses, including the monthly assessment for maintenance, repair and replacement.

4.8 Declarant shall have until May 1, 2008, (the "Termination Date") to annex the four (4) additional stages described on the Plat. Provided however, the Declarant may seek an amendment to the Declaration providing for an extension of time to annex such additional property not to exceed two (2) years. Such annexation shall be accomplished by the recordation of one or more Supplemental Condominium Declarations, which shall set forth the number and type of Units, if any, and a description of the Common Elements and the Units' undivided interests therein. Each Supplemental Condominium Declaration shall be accompanied by a Plat certifying annexed Units to be complete and depicting the Units and Common Elements being annexed to the Condominium, and shall follow the procedures set forth in the Oregon Condominium Act. All improvements being annexed in subsequent stages shall be substantially complete at the time of their annexation and any construction liens which may be recorded in conjunction with such construction shall not cover any Units constructed in any prior stage. Declarant shall pay all taxes or other assessment against the property to be annexed prior to such annexation. All assessments against

annexed Units shall be fixed in the same manner as assessments are fixed against Units in the initial stage.

4.9 To the extent Units in any prior stage to those to be annexed have been sold and are subject to Unit Owner Mortgages insured or held by FNMA, HUD or VA, the Declarant shall obtain the prior written consent of such mortgagees to any annexation prior to recordation of any Supplemental Declaration. Such consent shall not be withheld if the stage to be annexed substantially conforms to the provisions of this Section 4. To obtain such prior written approval in conjunction with a Unit Owner Mortgage held by FNMA, Declarant shall provide FNMA with a copy of the preliminary title commitment and copies of all exceptions shown thereon which affect the property to be annexed or which will affect the previously existing stage(s) of the Condominium.

5. DESCRIPTION OF UNITS.

5.1 General Description of Units. There will be six (6) Units in Stage 1. The Units consist of fee interests in the described space, are designated as shown on Exhibit C, attached hereto, and are numbered Units 1000-100, 1000-101, 1000-200, 1000-201, 1000-202 and 1000-203. The six (6) different types of Units ("Unit Types") are as follows:

Unit Type A: Contains a kitchen, great room, one bedroom, one bathroom, a utility closet, and storage area. All Units are one level, are 695 square feet and do not include a garage.

Unit Type B: Contains a kitchen, great room, one bedroom, one bathroom, a utility closet, and storage area. All Units are one level, 695 square feet and do not include a garage.

Unit Type C: Contains a kitchen, great room, two bedrooms, two and one-half bathrooms, a fireplace, a utility closet, and garage. All Units are two levels and 1709 square feet, with 1431 square feet of living area.

Unit Type D: Contains a kitchen, great room, three bedrooms, two and one-half bathrooms, a fireplace, utility closet, and garage. All Units are two levels and 1709 square feet, with 1431 square feet of living area.

Unit Type E: Contains a kitchen, great room, two bedrooms, two and one-half bathrooms, a fireplace, a utility closet, and garage. All Units are two levels and 1449 square feet, with 1166 square feet of living area.

Unit Type F: Contains a kitchen, great room, three bedrooms, two and one-half bathrooms, a fireplace, utility closet, and garage. All Units are two levels and 1449 square feet, with 1166 square feet of living area.

Rear yard areas adjoining Unit Types A and B are limited common elements. The designation, location and area in square feet of each Unit are shown on 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 surfaces of its perimeter and bearing walls, windows, doors, floors, and ceilings as shown on the Plat. All lath, furring, wallboard, plasterboard, paneling, plaster, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof shall be a part of the Unit, except those portions of the walls, floors or ceilings that materially contribute to the structural or shear capacity of the condominium. All other portions of said walls, floors or ceiling 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, stairs, landings, entryways, and all other appliances, fixtures and improvements contained therein. In addition, each Unit shall include the outlet of any utility service lines, including but not limited to water, sewerage, gas, electricity, telecommunication and ventilating ducts within the Unit, but shall not include any part of such lines or ducts themselves.

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

5.4 Building Description. The property submitted by this Declaration as Stage 1 includes one (1) three-story Building in which living Units are located. The Building is of wood frame construction on concrete foundation with cement board siding and composition shingle roofs. The vertical and horizontal boundaries, number designation, location and area in square feet of each Unit are depicted on the Plat. The allocation to each Unit in Stage 1 of undivided interest in the Common Elements is stated in paragraph 6.3 below.

6. COMMON ELEMENTS.

6.1 General Common Elements. The general Common Elements of Stage 1 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 of Limited Common Element:

6.1.1 The streets, land pathways, driveways, and grounds, landscaping play area, outdoor parking areas and handicap parking areas;

6.1.2 The foundations, floor slabs, exterior windows, crawl spaces, columns, girders, beams, supports, bearing walls, perimeter walls, main walls, retaining walls and roofs;



6.1.3 Installations of central services, such as power, cable, light, gas, telecommunication equipment, hot and cold water, heating, refrigeration, air condition, and waste disposal up to the outlets within any Units;

6.1.4 The cable television antennae or reception devises, motors, fans compressors, other utility installations, ducts and, in general, all apparatus and installations existing for common use;

6.1.5 The air space containing the elements described in Section 6.1.2 and 6.1.4;

6.1.6 All sanitary sewer, infrastructure, storm, water management system, domestic and fire water systems, emergency fire response network, exterior lights, and internet wiring connection; and

6.1.7 All other elements of any Building necessary or convenient to its existence, maintenance and safety, or normally in common use, except as may be expressly designated as a part of a Unit or a Limited Common Element;

6.2 Limited Common Elements. The dimensions, designation and locations of the Limited Common Elements are shown on the Plat. The Limited Common Elements shall consist of rear yard areas, decks, garage aprons and driveways adjacent to each Unit, for the exclusive use of the Unit to which they adjoin, as shown on the Plat.

6.3 Allocation of Undivided Interest in Common Elements. The percentage interest in the Common Elements is allocated among the Units in accordance with the ratio by which the approximate living area of the particular Unit bears to the total approximate living area of all Units combined, as shown on the attached and incorporated Exhibit D for Stage 1. The minimum allocation of undivided interest in the Common Elements of each Stage 1 Unit upon completion of development, if Declarant elected to proceed with all stages of development, is shown on Exhibit E. The method used to establish the allocation of undivided interest in the Common elements for each stage of development will be that used for Stage 1. 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 interest in either the Common Elements or a Unit shall be void unless both the Unit and the allocated interest in Common Elements are also transferred therewith.

6.4 Use of Common Elements. No person shall use the Common Elements or any part thereof in any matter 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 or the Association. Without



intending to limit the generality of the foregoing, the Board of Directors or the Association shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the Common Elements to the members of the Association and their respective families, guests, invitees and servants and regulating the use by such persons of the general Common Elements. Such use may be conditioned upon, among other things, the payment by the Unit Owner of such assessment as may be established for the purpose of defraying the costs thereof.

6.5 Maintenance, Repair, and Replacement. The Association shall at all times maintain the General Common Elements in a clean and attractive manner. Unit Owners shall at all times pay to maintain the Limited Common Elements in like manner. The Association will perform the maintenance on the Limited Common Elements and specially assess the Unit Owner(s) to which such Limited Common Elements pertain. Except as specifically provided otherwise in this Declaration, the costs of concierge service, maintenance, repair and replacement of the General Common Elements shall be a common expense, and the performance of such work shall be the responsibility of the Association. The costs of replacement, maintenance and repair of the Limited Common Elements shall be the responsibility of the Unit Owner(s) to which such Limited Common Elements pertain. Nothing herein contained, however, shall be construed so as to preclude the Association from delegating to persons, firms, or corporations of its choice, such duties as may be imposed on or by the Association. Except as specifically provided otherwise in this Declaration, each Unit Owner will be liable for the common expenses including, without limitation, the funding or replacement reserves in proportion to the percentage ownership of each Unit in the Common Elements, excepting for fire and casualty insurance (which shall be shared in proportion to the amount of coverage placed on each Unit).

7. COMMON PROFITS AND COMMON EXPENSES; VOTING.

7.1 Allocation of Common Profits and Expenses. The common profits and common expenses 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 profit shall be distributed among the Unit Owners but shall be used solely for purposes of maintaining, repairing, and replacing the General Common Elements or other expenses of the Association. Assessments for Stage 1 shall commence upon the closing of sale of the first Unit in Stage 1. Assessments for future stages shall commence upon the date of recording of the Supplemental Declaration for each stage. The common expenses shall be assessed to the Unit Owners according to the allocation of undivided interest of each Unit in the Common Elements. Provided, however, that until such time as the Supplemental Declaration for the final stage of the condominium has been recorded, or Declarant determines that no additional stages will be annexed, Declarant is electing to subsidize a portion of such assessments to the extent that each Unit Owner's monthly assessment shall be equal to said Unit Owner's

monthly assessment if all Declarant elected to proceed with all stages of development. 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. Remedies for failure to pay assessments are described in the Bylaws attached as Exhibit F and incorporated herein by reference.

7.2 Allocation of Voting Rights. The Owner(s) of each sold Unit shall be entitled to one (1) vote per Unit in the affairs of the Association. The Declarant shall be entitled to three (3) votes per Unit it owns. The method of voting shall be specified in the Bylaws. Voting rights will be allocated in the same manner for any Units annexed to the condominiums in later stages.

8. SERVICE OF PROCESS. The designated agent to receive services of process in cases provided in ORS 100.550(1) is named in the Condominium Information Report which will be filed with the State of Oregon Real Estate Agency in accordance with ORS 100.250(1).

9. EASEMENTS AND ENCROACHMENTS.

9.1 Right of Access. The Association, through its Board of Directors, and with reasonable written notice given forty-eight (48) hours in advance, shall have the right to have access to each Unit as may be necessary for the maintenance, repair or replacement of the General or Limited 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. In case of an emergency originating in or threatening any Unit or other portion of the Condominium, each Unit Owner hereby grants the right of entry to any person authorized by the Board of Directors of the Association, whether or not the 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 utility, wiring, heat, plumbing and other service elements and for reasonable access required to effectuate and continue proper operation of the Condominiums. Each Unit and all Common Elements shall further have an easement over all adjoining Units and Common Elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to Building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units and Common Elements so long as the encroachments shall exist, and 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 encroachment be construed to be encumbrances affecting the marketability of title to any Unit.



10. USE OF PROPERTY. The Units shall be occupied and used by the respective Owners only for residential purposes for the Owner, family, tenants and social guests and for no other purposes except as provided in the Bylaws. Provided, however, that the ground floor units in the Buildings 11, 12, 13, 14, 15 and 16 may be converted to commercial uses allowed by the City of Beaverton. Owners shall have an unrestricted and perpetual right of ingress and egress to their Units. The Owner(s) of each respective Unit shall have the right to lease or rent the Unit or any part thereof, provided that any such lease or rental agreement shall be in writing and subject to the covenants and restrictions contained in this Declaration and is further subject to the Bylaws, rules and regulations of the Association. Additional limitations on use may be contained in the Bylaws and rules and regulations adopted pursuant to the Bylaws. Each Unit Owner shall be bound by all rules, regulation and limitations.

11. MAINTENANCE OF COMMON ELEMENTS.

11.1 Responsibility for Maintenance. The necessary work to maintain, repair or replace the General Common Elements shall be the responsibility of the Board of Directors of the Association and shall be carried out as provided in the Bylaws. Maintenance of Limited Common elements shall be the responsibility of the Unit Owner(s) to which the Limited Common Elements pertain.

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

11.3 Rights of Unit Owners Upon Failure to Maintain. The provisions of this Declaration and of the Bylaws regarding the maintenance, repair and replacement of the General Common Elements shall be deemed to be for the benefit of the Unit Owners, and they may enforce such provision by appropriate proceedings at law or in equity.



12. ASSOCIATION OF UNIT OWNERS.

12.1 Organization. Upon the recording of this Declaration, an Association of Unit Owners shall be organized, and incorporated, to serve as a means by which the Unit Owners may take action with regard to the administration, management and operation of the Condominium. The name of this Association shall be "**Association of Unit Owners of Elmonica Station Condominiums, Inc.**"

12.2 Membership; Board of Directors. Each Unit Owner shall be a member of the Association, and except as otherwise provided herein, membership therein shall be limited to Unit Owners only. The affairs of the Association shall be governed by a Board of Directors as provided by the Bylaws.

12.3 Power and Duties of the Association. The Association shall have such powers and duties as may be granted to it by ORS 100.405, together with such additional powers and duties contained in this Declaration and the Bylaws. Additionally, the Association, pursuant to ORS 100.405(5) and (8) shall have the authority to grant easements, rights of way, licenses and other similar interests affecting the general common elements of the Condominium.

12.4 Declarant Control of Association; Interim Board of Directors. Upon recording this Declaration, Declarant will appoint an interim Board of Directors for the Association. Declarant hereby reserves the right to control the Association including all rights specified in ORS 100.200(1) until the earlier of a) ninety (90) days from the date of conveyance to persons other than the Declarant of seventy-five percent (75%) of the total Units, to be created or annexed by the Declarant, or b) five years from the date of the first Unit is conveyed, or c) such other earlier date as Declarant may elect to relinquish control. The interim directors shall serve at the pleasure of Declarant and only until the turnover meeting is held as provided in the Bylaws.

12.5 Professional Management. In order to maintain the special character and high quality of the Condominium and the Association, they will be professionally managed at all times by firms(s) approved by the Board. At least thirty (30) days notice of any contemplated change in the manager, notice shall be given to any Mortgagee which has requested to be notified. The Association shall not terminate professional management and assume self-management.

12.6 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, a 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 not be in excess of three years, and may be terminated without penalty by the Association or the Board of Directors upon not less than thirty (30) day written notice to the other party.

13. MORTGAGEES.

13.1 Controlling Over Other Sections. In the event of a conflict between this Section 13 and other sections of this Declaration, the provisions of this Section 13 shall control.

13.2 Notice to the Association. At the request of the Board of Directors, each Owner shall promptly supply to the Board the name and address of the mortgagee or mortgagees of his or her Unit.

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

13.3.1 Any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its mortgage;

13.3.2 Any sixty-day (60) delinquency in the payment of assessments or charges owed by the Owner of any Unit on which it holds the mortgage; and

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

13.4 Consent to Termination of the Condominium. Any action to terminate the legal status of the Condominium under the Oregon Condominium Act following substantial destruction or condemnation shall require the consent of the Owners of Units holding at least sixty-seven percent (67%) of the votes of the 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 the Oregon Condominium Act.

13.5 Consent Upon Substantial Amendment of Documents. Except where a greater percent is required by this Declaration, or a greater or lesser percent is required by the Oregon Condominium Act, the consent of the Owners of Units holding at least seventy-five percent (75%) of the voting rights, and the approval of eligible



mortgage holders holding mortgages on Units which have at least fifty-one percent (51%) of the voting rights of the Units that are subject to mortgages held by eligible mortgage holders, shall be required for any amendments of a material nature to the Declaration. Any amendment to the Declaration or the Bylaws which changes any of the following would be considered a material change:

13.5.1 Voting rights;

13.5.2 Increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens, or the priority of assessment liens;

13.5.3 Reduction of reserves for maintenance, repair and replacement of the Common Elements;

13.5.4 Responsibility for maintenance and repairs;

13.5.5 Reallocation of interest in the General or Limited Common Elements, or right to their use;

13.5.6 Redefinition of any Unit boundaries;

13.5.7 Conversion of Units into Common Elements or of Common Elements into Units;

13.5.8 Expansion or contraction of the Condominium or the addition, annexation, or withdrawal of property to or from the Condominium, except as provided in Section 16.6;

13.5.9 Requirement to obtain or maintain insurance or fidelity bonds;

13.5.10 Imposition of any restrictions on the leasing of Units;

13.5.11 Imposition of any restriction on a Unit Owner's right to sell or transfer any Unit owned;

13.5.12 A decision by the Association to establish self-management when professional management had been required previously by eligible mortgage holders;



13.5.13 Restoration or repair of the Condominium (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration, the Bylaws, or the Oregon Condominium Act;

13.5.14 Any provisions that expressly benefit mortgage holders, insurers, or guarantors;

13.5.15 Parking rights;

13.5.16 Easement of access and use of the Common Elements.

This approval shall be in addition to such other approvals and procedures as may be required by the Declaration, Bylaws and the Oregon Condominium Act. An addition or amendment to the Declaration shall not be considered material for purposes of this Section 13.5 if it is for the purpose of correcting technical errors or for clarification only.

13.6 Request for Approval of Eligible Mortgage Holders. Any eligible mortgage holder or other mortgagee who receives a written request to approve additions or amendments to the Declaration, Bylaws, or other action to be taken by the Board of Directors, Association, or Unit Owners, shall be deemed to have given such approval unless a negative response is delivered or posted to the requesting party within thirty (30) days after such request has been received, provided that the written request was delivered by certified mail with "return receipt requested."

13.7 Priority of Lien; Discharge of Lien Upon Foreclosure. The Association's lien for unpaid assessments shall be subordinate to any prior recorded first mortgage against a Unit. When any first mortgage of a Unit obtains title to a Unit as a result of foreclosure, or resorts to other remedies provided in the first mortgage or first trust deed, such first mortgagee shall not be liable for assessments against such Unit or its Owner which became due prior to the acquisition of title to such Unit by such first mortgagee. Such unpaid assessments shall remain a liability of the former Unit owner and/or may be collected from all Unit Owners equally as a special assessment only. Nothing in this section shall be construed to relieve any mortgagee from its obligations to pay assessments following the date it acquires title to such Unit.

13.8 Right to Receive 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.



13.9 Additional Approvals. Unless sixty-seven percent (67%) of the holders of first mortgages of individual Units have given their prior approval, the Association shall not:

13.9.1 Change the pro rata interest or obligations of any Unit for (1) purposes of levying assessments or charges, (2) allocating distribution of hazard insurance proceeds or condemnation awards, or (3) determining the pro rata share of ownership of each Unit in the Common Elements;

13.9.2 Partition or subdivide any Unit;

13.9.3 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;

13.9.4 By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements. The granting of easements by the Association or the Board of Directors for public utilities or for other similar or public purposes consistent with the intended use of the Common Elements by the Owner shall not be deemed a transfer within the meaning of this clause; or

13.9.5 Use hazard insurance proceeds arising from losses to any Condominium property (whether to Units or to Common Elements) for purposes other than the repair, replacement, or reconstruction of such improvements, except as required by statute.

13.10 Right to Examine Books and Records. All mortgagees (including insurers and guarantors of mortgages) shall have the right to examine the books and records (including the Declaration, Bylaws, rules, regulations and financial statements) of the Association upon written request. Such books and records shall be available for duplication at reasonable times. A mortgagee shall be entitled to have an audited financial statement prepared at its 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.

14. NOTICE TO FIRST MORTGAGEES OF DEFAULTS. Any first mortgagee, upon written request, will be entitled to written notification from the Association of any default in the performance by the Owner of the mortgaged Unit of any obligation under this Declaration, the rules and regulations or the Bylaws which is not cured within sixty (60) days.



15. AMENDMENT.

15.1 How Proposed. Amendments to this Declaration shall be proposed by either a majority of the Board of Directors or by Unit Owners holding fifteen percent (15%) or more of the voting rights. The proposed amendment must be reduced to writing, and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request to consent to the amendment.

15.2 Approval Required. Except as may otherwise be provided in this Declaration or the Act, this Declaration may be amended if such amendment is approved by Unit Owners holding seventy-five (75%) of the voting rights of the Condominium and by mortgagees to the extent required by Section 13.5 above. No amendments may change the size, location, allocation of undivided interest in the Common Elements, the method of determining liability for common expenses, the right to common profits, or the voting rights of a Unit unless such amendment has been approved by the Owners and mortgagees of the affected Unit(s). Any amendment which changes the boundary of the property or a Unit shall be approved by all Unit Owners, and by mortgagees to the extent required by Section 13.5 above. For as long as Declarant remains the Owner of one or more Units, of the total Units created or annexed by the Declarant, the Bylaws, the Rules and Regulations and this Declaration may not be modified, added, amended or repealed so as to eliminate, change, or impair any rights, privileges, easements, licenses or exemptions granted therein or herein to Declarant or its designee, or otherwise adversely affect Declarant or such designee, without Declarant's or such designee's prior written consent in each instance. So long as Declarant owns five percent (5%) or more of the Units, as may be created (or annexed) by the Declarant, the Bylaws, Rules and Regulations this Declaration shall not be modified, added to, amended or repealed in any way without Declarant's prior written consent in each instance.

15.3 Recordation. Amendments shall be effective upon recordation of the Declaration as amended or of the amendment thereto in the Deed Records of Washington County, Oregon, certified by the Chairperson and the Secretary of the Association as being adopted in accordance with this Declaration and the provision of the Oregon Condominium Act, and approved by the County Assessor and the Real Estate Commissioner if such approvals are required by the Act.

16. DECLARANT'S RIGHTS. Notwithstanding any provision to the contrary in this Declaration or the Bylaws, Declarant shall have the following special rights:

16.1 Declarant's Easements. The Declarant, its agents, employees, successors and assigns, hereby reserve a blanket easement on and over the Common Elements for ingress and egress and for the completion of any portion of the

Condominium including, without limitation, the construction and completion of additional stages of the Condominium, the furnishing and decorating of any Unit, sales office or model, the right to store materials on the Common Elements at reasonable places and for reasonable lengths of time, or discharging any right or obligation of Declarant. This easement shall include, without limitation, the right to connect Buildings or structures containing additional Units and/or Common Elements to existing Buildings or structures.

16.2 Sales Office and Model. Declarant shall have the right to maintain model, sales and/or rental offices in Units that Declarant owns or in separate temporary facilities on Common Elements and to use and occupy the model, sales and/or rental office during reasonable hours on any day. Declarant may also maintain a reasonable number of "for Sale" and/or "for Rent" signs at various locations on the Condominium.

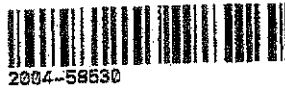
16.3 No Capital Assessments Without Consent. So long as the time period for annexing additional Units has not expired, and so long as the Declarant owns more than two (2) Units or five percent (5%) of the total number of Units in the Condominium, created or annexed by the Declarant, whichever is less, neither the Association nor the Board of Directors shall make any assessments for new construction, acquisition or otherwise without the prior written consent of the Declarant. Nothing contained in this Section 16.3 is intended or shall be construed as a limitation on the Declarant's obligation to pay common monthly assessments on Units owned by the Declarant pursuant to the requirements of the Act.

16.4 Common Element Maintenance By the Association. The Association shall maintain all General Common Elements in a clean and attractive manner. Should the Association fail to do so, the Declarant may perform such maintenance at the expense of the Association.

16.5 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 this Declaration, Bylaws, or the provisions of the Act. Upon the expiration of any or all special Declarant rights, the Declarant will have the same rights as any other Owner in the Condominium in respect to such ownership.

17. GENERAL PROVISIONS.

17.1 Interpretation. The rights and obligations of any member of the Association and any person dealing with the Association or any of its members with respect to matters pertaining to this Declaration and the Bylaws shall be interpreted and governed by the laws of the State of Oregon. This Declaration is to be interpreted liberally to effectuate its purposes of creating a uniform plan for the development and operation of the Condominium.



17.2 Severability. Each provision of this Declaration and the Bylaws is independent and severable. The invalidity or partial invalidity of any section thereof shall not affect any of the remaining portions of that or any other provision of this Declaration or by the Bylaws.

17.3 Waiver of Rights. The failure of the Association, Board of Directors, officer or Unit Owner to enforce any right, provision, covenant or condition of this Declaration and Bylaws shall not constitute a waiver of the right of any other party to enforce such right, provision, covenant or condition in the future.

17.4 Legal Proceeding. Failure to comply with any of the terms of this Declaration, any supplemental or amended Declaration, the Bylaws and any rules or regulations adopted thereunder shall be grounds for relief which may include, but not be limited to, an action to recover money due, damages, or a suit for injunctive relief, to foreclose a lien, or any combination thereof. Relief may be sought by the Association, Board of Directors, an officer, a professional manager or management firm. Relief, if appropriate, may also be sought by an aggrieved Unit Owner under the provisions of Section 17.5 below.

17.5 Arbitration. Except with respect to any action by the Association to collect assessments, (other than assessments attributable to fines), to foreclose an existing lien or execute and existing judgment and subject to the dispute resolution provision of Article VIII, Section 1 of the Bylaws, any dispute regarding enforcement of this Declaration, the Bylaws or the Rules and Regulations of the Condominium, including but not limited to Unit purchase disputes, claims arising out of alleged construction defects, negligence, claims of fraud or misrepresentation, warranty claims, or class actions, between the Declarant, the Owners Association or any Owner will be subject to binding arbitration rather than a lawsuit. The arbitrator will be: (a) As per the rules of the 2-10 Home Buyers Warranty, HBW Insurance, LLC (HBW) in the event that HBW is participating; (b) In the event HBW is not participating: (i) as agreed to by the parties, (ii) if not so agreed, as provided by the Arbitration Service of Portland, (iii) in the event an arbitrator as per (ii) above is not available, as selected by the presiding judge of the Washington County Circuit Court. Each party will bear their own costs and attorney fees. This agreement is intended to run with the land and shall be binding as to future Owners of Units in the Elmonica Station Condominiums. All arbitrators shall be attorneys experienced in the operation of residential condominium buildings. Each party shall submit its position to the arbitrators and the jurisdiction of the arbitrators shall be limited to selecting the entire position of one of the parties as the prevailing position. Except as otherwise provided herein, the procedures for arbitration shall be in accordance with the rules of the Washington County Circuit Court Arbitration Program.



MORTGAGEE'S CONSENT

Liberty Bank is the owner and holder of two (2) trust deeds on the property being submitted to the Oregon Condominium Act hereunder and consents to the making of the foregoing Declaration and consents to subordination of the lien of the trust deed to this Declaration and Plat of the Condominium. Mortgagee waives execution of the Plat.

Michael R. Stille
Michael R. Stille
Vice President

By:
Title:

STATE OF OREGON)
County of Lane) ss.



This instrument was acknowledged before me on April 6
2004, by Michael R. Stille as Vice President of Liberty Bank.

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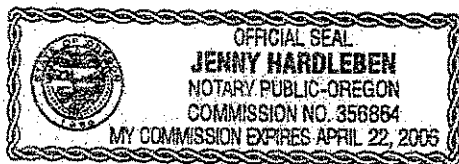
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NOTARY PUBLIC FOR OREGON

MORTGAGEE'S CONSENT

Willamette View Funding, LLC is the owner and holder of a trust deed on the property being submitted to the Oregon Condominium Act hereunder and consents to the making of the foregoing Declaration and consents to subordination of the lien of the trust deed to this Declaration and Plat of the Condominium. Mortgagee waives execution of the Plat.



[Signature]
By: *MM*
Title:

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me on April 8
2004, by Howard J. Amerson as Managing Member of W. Hamble View Funding

NOTARY PUBLIC FOR OREGON

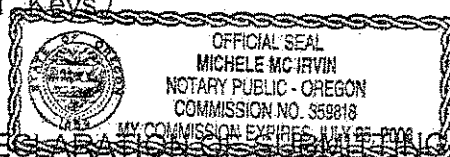
MORTGAGEE'S CONSENT

Sean T. Keys is the owner and holder of a trust deed on the property being submitted to the Oregon Condominium Act hereunder and consents to the making of the foregoing Declaration and consents to subordination of the lien of the trust deed to this Declaration and Plat of the Condominium. Mortgagee waives execution of the Plat.

[Signature]
SEAN T. KEYS

STATE OF OREGON)
) ss.
County of Washington)

This instrument was acknowledged before me on 4/5/04
2004, by Sean T. Keys /



[Signature]



The foregoing Declaration is approved this 25TH day of MAY, 2004.

ASSESSOR AND TAX COLLECTOR
FOR WASHINGTON COUNTY, OREGON

By: Paul A. Kuffman

The foregoing Declaration and Bylaws attached hereto are approved pursuant to ORS 100.110 this 18th day of May, 2004, and in accordance with ORS 100.110(7), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this date.

SCOTT W. TAYLOR,
Real Estate Commissioner

BY

Brian DeMarco
Brian DeMarco

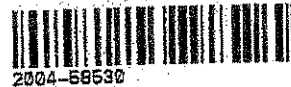


EXHIBIT LIST

- A. Legal Description
- B. Parking Designation Map
- C. Plat
- D. Unit Ownership Percentage (Stage 1)
- E. Unit Ownership Percentage (Stage 1 minimum for all Units)
- F. Bylaws



EXHIBIT "A"

**LEGAL DESCRIPTION
OF
ELMONICA STATION CONDOMINIUMS**

That portion of Lot 3, ELMONICA STATION, in the City of Beaverton, County of Washington and State of Oregon, described as follows:

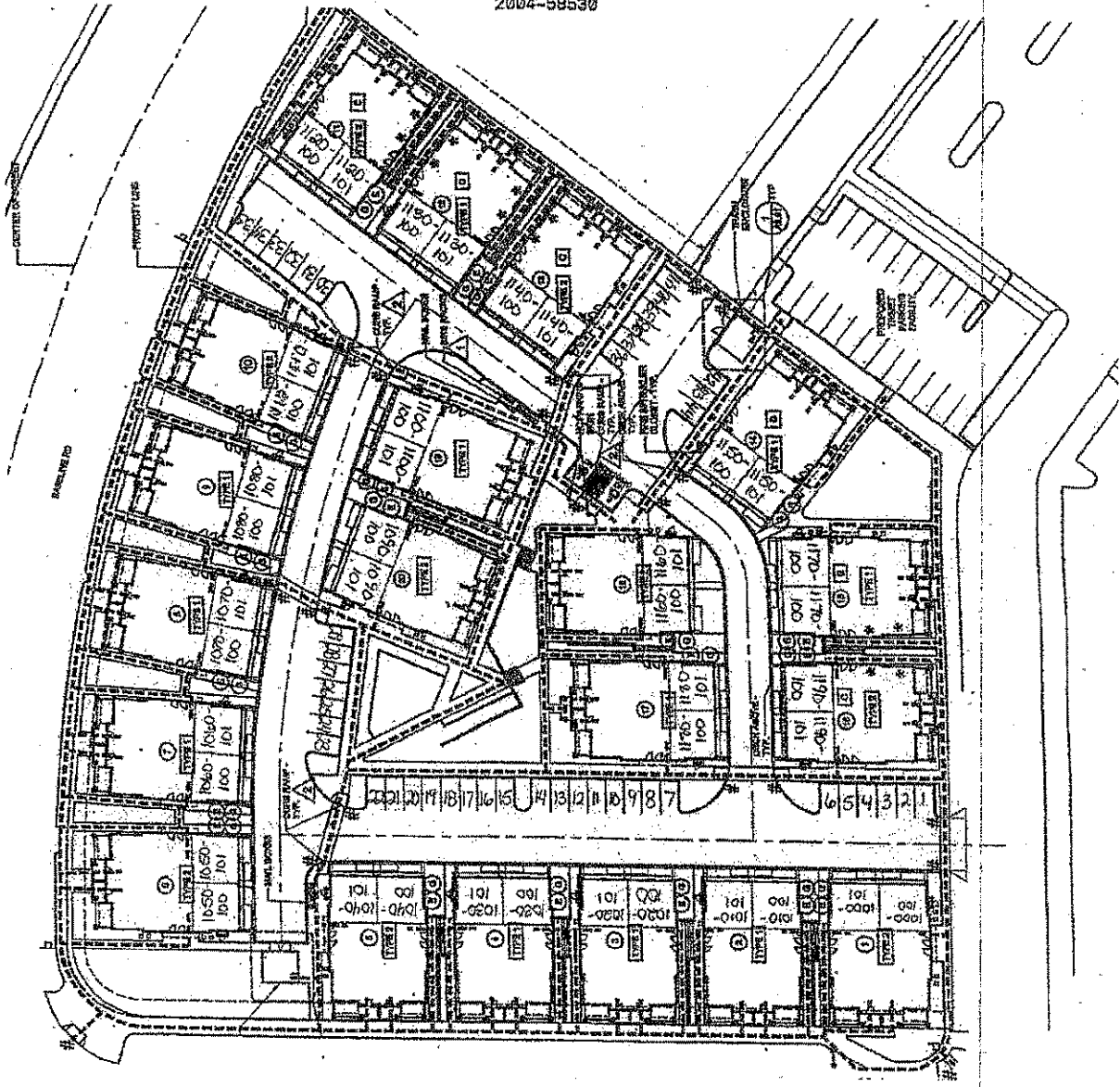
Beginning at a point on the Southerly line of Lot 3, ELMONICA STATION, recorded in Book 93, Pages 50-51, Washington County Plat records and bearing North 88°45'14" West, 181.34 feet from the Southeasterly corner of said Lot 3; thence from said initial point North 88°45'14" West along the Southerly line of said Lot 3, a distance of 86.02 feet to the Easterly right of way line of S.W. 170th Avenue, County Road no. 2444; thence North 01°25'45" East along said Easterly right of way line, 61.07 feet; thence leaving said Easterly right of way line South 88°45'14" East, 86.01 feet; thence South 01°25'16" West, 61.07 feet to the initial point as above described.

TOGETHER WITH rights of access over the entirety of Lot 2, ELMONICA STATION, as set forth on the recorded plat thereof.



EXHIBIT "B"

Parking Designation Map



Building	Address	Parking
1-A	1000-100 SW 170th Ave, Beaverton, OR 97006	1
1-B	1000-101 SW 170th Ave, Beaverton, OR 97006	2
2-A	1010-100 SW 170th Ave, Beaverton, OR 97006	3
2-B	1010-101 SW 170th Ave, Beaverton, OR 97006	4
3-A	1020-100 SW 170th Ave, Beaverton, OR 97006	10
3-B	1020-101 SW 170th Ave, Beaverton, OR 97006	11
4-A	1030-100 SW 170th Ave, Beaverton, OR 97006	16
4-B	1030-101 SW 170th Ave, Beaverton, OR 97006	17
5-A	1040-100 SW 170th Ave, Beaverton, OR 97006	18
5-B	1040-101 SW 170th Ave, Beaverton, OR 97006	19
6-A	1050-100 SW 170th Ave, Beaverton, OR 97006	20
6-B	1050-101 SW 170th Ave, Beaverton, OR 97006	21
7-A	1060-100 SW 170th Ave, Beaverton, OR 97006	22
7-B	1060-101 SW 170th Ave, Beaverton, OR 97006	23
8-A	1070-100 SW 170th Ave, Beaverton, OR 97006	24
8-B	1070-101 SW 170th Ave, Beaverton, OR 97006	25
9-A	1080-100 SW 170th Ave, Beaverton, OR 97006	26
9-B	1080-101 SW 170th Ave, Beaverton, OR 97006	27
10-A	1100-100 SW 170th Ave, Beaverton, OR 97006	30
10-B	1100-101 SW 170th Ave, Beaverton, OR 97006	31
11-A	1120-100 SW 170th Ave, Beaverton, OR 97006	35
11-B	1120-101 SW 170th Ave, Beaverton, OR 97006	34
12-A	1130-100 SW 170th Ave, Beaverton, OR 97006	32
12-B	1130-101 SW 170th Ave, Beaverton, OR 97006	33
13-A	1140-100 SW 170th Ave, Beaverton, OR 97006	36
13-B	1140-101 SW 170th Ave, Beaverton, OR 97006	37
14-A	1150-100 SW 170th Ave, Beaverton, OR 97006	42
14-B	1150-101 SW 170th Ave, Beaverton, OR 97006	43
15-A	1170-100 SW 170th Ave, Beaverton, OR 97006	44
15-B	1170-101 SW 170th Ave, Beaverton, OR 97006	7
16-A	1180-100 SW 170th Ave, Beaverton, OR 97006	6
16-B	1180-101 SW 170th Ave, Beaverton, OR 97006	5
17-A	1190-100 SW 170th Ave, Beaverton, OR 97006	8
17-B	1190-101 SW 170th Ave, Beaverton, OR 97006	9
18-A	1190-100 SW 170th Ave, Beaverton, OR 97006	40
18-B	1190-101 SW 170th Ave, Beaverton, OR 97006	41
19-A	1190-100 SW 170th Ave, Beaverton, OR 97006	38
19-B	1190-101 SW 170th Ave, Beaverton, OR 97006	39
20-A	1080-100 SW 170th Ave, Beaverton, OR 97006	29
20-B	1080-101 SW 170th Ave, Beaverton, OR 97006	28

12, 13, 14, 15
Parking Spots not assigned



EXHIBIT "C"

Plat



EXHIBIT "D"

The percentage interest in the Common Elements is allocated among the Units in accordance with the ratio by which the approximate living area of the particular Unit bears to the total approximate living area of all Units combined, for Stage 1, as follows:

Total Approximate Living Area of All Stage 1 Units: 6584 square feet

Unit #	Square Feet of Living Area of Unit	% of Total Square Feet of Living Area of Stage 1
1000-100	695	10.56%
1000-101	695	10.56%
1000-200	1431	21.73%
1000-201	1431	21.73%
1000-202	1166	17.71%
1000-203	1166	17.71%
<i>Stage 1 Total</i>	6584	100%

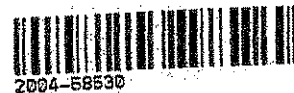


EXHIBIT "E"

The minimum allocation of undivided interest in the Common Elements of each Stage 1 Unit upon completion of development, if Declarant elected to proceed with all stages of development, is as follows:

Total Approximate Living Area of All Units if All Stages Developed: 131,680 square feet

Unit #	Square Feet of Unit	% of Total Square Feet
1000-100	695	0.53%
1000-101	695	0.53%
1000-200	1431	1.08%
1000-201	1431	1.08%
1000-202	1166	0.89%
1000-203	1166	0.89%
<i>Stage 1 Total</i>	6584	5%



EXHIBIT "F"

Bylaws
of
Elmonica Station Condominiums



BYLAWS
OF THE ASSOCIATION OF UNIT OWNERS
OF ELMONICA STATION CONDOMINIUMS, INC.

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. Name and Location. These are the Bylaws of the ASSOCIATION OF UNIT OWNERS OF ELMONICA STATION CONDOMINIUMS, INC. (the "Association"). Elmonica Station Condominiums (the "Condominium") is located in the City of Beaverton, Washington County, Oregon, and has been submitted to the Oregon Condominium Act (the "Act") by a declaration filed simultaneously herewith (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 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, all Unit Owners, the Declarant, its successors and assigns, 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. The Declaration shall control in the event of any conflict between these Bylaws and the Declaration.

Section 5. Composition of Association. The Association shall be composed of all Unit Owners of the Condominium, including the Declarant and the Association itself, to the extent any of these own any Unit or 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. The Association is to be incorporated under the Oregon Nonprofit Corporation Law. In such event, the Articles of Incorporation shall be consistent with the Declaration and these Bylaws, and these Bylaws shall constitute the Bylaws of the incorporated association. In addition, Unit Owners shall be deemed the "members" of the corporation for purposes of the Oregon Nonprofit Law, and the Association shall be a mutual benefit corporation.



ARTICLE II

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

Section 1. Membership in the Association. Upon becoming legal Owner of a Unit, an Owner shall automatically be a member of the Association and shall remain a member of the Association until such time as that 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 such Unit, to which shall be affixed the certificate of recording office of the County of Washington, 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 Owners of each sold Unit shall have one vote per Unit. The Declarant shall be entitled to vote as the Unit Owner of any previously unsold Units, and shall have three votes per Unit owned. The Board of Directors shall be entitled to vote as to any Units owned by the Association. Unless a valid court order establishes the authority of a co-owner to vote, whenever any Unit is owned by two or more persons jointly, according to the records of the Association, the vote 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 shall be disregarded in determining the proportion of votes given with respect to such matter, except in counting a quorum.

Section 3. Binding Vote; Percent of all Votes. 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. The term "percentage of all votes" shall mean a percent of all the voting rights allocated to the Units by the Declaration.

Section 4. Majority Vote. The term "majority vote" or "majority of Unit Owners" means more than fifty percent (50%) of 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 forty percent (40%) of Unit Owners shall constitute a



quorum. A subsequent joinder of a Unit Owner in the action taken at a meeting by signing and concurring 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, all actions taken shall be proper as to quorum, and any subsequent withdrawal of a Unit Owner or Owners shall be disregarded. If any meeting of members cannot be organized because of lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, as provided in Article III, Section 9 of these Bylaws.

Section 6. Proxies. A vote may be cast in person or by proxy. A proxy given by a Unit Owner to any person who represents such Owner at meetings of the Association shall be in writing and signed by such Owner, and shall be filed with the Secretary. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy. Every proxy shall automatically cease upon sale of the Unit by its Owner. A Unit Owner may pledge or assign 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 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 first 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 any Unit owned or held by such person in such capacity, whether or not the same shall have been transferred to the Unit Owner's name; provided, that the fiduciary shall satisfy the Secretary that the fiduciary is the executor, administrator, guardian, or trustee, holding such Unit in such capacity.

Section 8. Authority to Vote. All Owners shall be entitled to vote, and such entitlement shall remain whether or not an Owner has leased the 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 a suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

Section 2. Initial Meeting. The initial meeting of the Association shall be the turnover meeting as provided below. However, prior to such 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 Meeting. Within ninety (90) days of the earlier of: a) the date of the conveyance to persons other than the Declarant of seventy-five percent (75%) of the total Units created or annexed by the Declarant, or b) five (5) years from the date the first Unit is conveyed, or c) such other earlier date as Declarant may elect to relinquish control, 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 elected 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 sole 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 two mutually acceptable dates to review the documents delivered to the Association.

Section 4. Transition Committee. Within sixty (60) days of conveyance to persons other than the Declarant of the fifty percent (50%) of the total number of Units which Declarant may submit to this Condominium, Declarant shall call a meeting of the Unit Owners for the purpose of forming a transition committee. 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. The transition committee shall be advisory only and shall consist of two or more members selected by Unit Owners other than the Declarant and may include not more than one representative of the Declarant. The members shall serve until the turnover meeting. The function of the committee shall be that of enabling ease of transition from control of the administration of the Association by the Declarant to control by the Unit Owners. The committee shall have access to the information, documents and records which the Declarant is required to turn over to the Association at the turnover meeting.

Declarant shall not be required to call a meeting for the purpose of forming a transition committee if Declarant has called the turnover meeting within the time specified herein. However, if neither the turnover meeting nor the transition committee meeting has been called within the time specified herein, the transition committee meeting may be called and notice given by any Unit Owner.



Section 5. Ballot Meetings. Any action that may be taken at any annual, regular or special meeting of the Association of Unit Owners 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 and the Board of Directors has provided Unit Owners with at least ten (10) days' notice before written ballots are mailed or otherwise delivered. If at least three (3) days before written ballots are scheduled to be mailed or distributed, at least ten percent (10%) of the Owners petition the Board of Directors requesting secrecy procedures, a written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the Owner, and instructions for making and returning the ballot. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Matters that may be voted on by written ballot shall be deemed approved or rejected as follows:

(a) If approval of a proposed action otherwise would require a meeting at which a certain quorum must be present and at which a certain percentage of total votes cast is required to authorize the action, the proposal shall be deemed to be approved when the date for return of ballots has passed, a quorum of Unit Owners has voted and the required percentage of approving votes has been received. Otherwise, the proposal shall be deemed to be rejected; and

(b) If approval of a proposed action otherwise would require a meeting at which a specified percentage of Unit Owners must authorize the action, the proposal shall be deemed to be approved when the percentage of total votes cast in favor of the proposal equals or exceeds such required percentage. The proposal shall be deemed to be rejected when the number of votes cast in opposition renders approval impossible or when the date for return of the ballots has passed and such required percentage has not been met. Unless otherwise prohibited by the Declaration, Articles of Incorporation or Bylaws, the votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date they are counted.

All solicitations for votes by written ballot shall state the following:

(1) If approval of a proposal by written ballot requires that the total number of votes cast equal or exceed a certain quorum requirement, the number of responses needed to meet such quorum requirement; and

(2) If approval of a proposal by written ballot requires that a certain percentage of total votes cast approve the proposal, the required percentage of total votes needed for approval.



All solicitations for votes by written ballot shall specify the period during which the Association shall accept written ballots for counting, which period shall end on the earliest of the following dates:

(a) If approval of a proposed action by written ballot requires that a certain percentage of the Unit Owners approve the proposal, the date on which the Association has received a sufficient number of approving ballots;

(b) If approval of a proposed action by written ballot requires that a certain percentage of the Unit Owners approve the proposal, the date on which the Association has received a sufficient number of disapproving ballots to render approval impossible; and

(c) In all cases, a date certain on which all ballots must be returned to be counted.

Except as otherwise provided in the Declaration, Articles of Incorporation, or Bylaws, a written ballot may not be revoked.

Section 6. Annual Meeting. The first annual meeting of the Association shall be held approximately one year following the turnover meeting and shall be set by action of the Board of Directors. The date of successive annual meetings shall be set by action of the Board of Directors and may be changed from time to time, but must be held annually. At such meetings, the Unit Owners shall elect directors to fill the positions of those directors whose terms have expired, 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 7. Special Meetings. A special meeting of the Unit Owners may be called by the Chairperson, by a majority of the Board of Directors, or upon a petition signed by at least thirty percent (30%) of the Unit Owners, according to their voting rights, having been presented to the Secretary. All meetings called because of petition of Unit Owners shall be held at a formal gathering and not by ballot. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all the Unit Owners or as otherwise set out in these Bylaws.

Section 8. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each meeting of the Unit Owners stating the purpose thereof and at the time and place where it is to be held, 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 mailing shall be to the Owner's address last given 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. If no address has been given to the Secretary in writing, then mailing to the Condominium Unit shall be sufficient. 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 9. Adjourned Meetings. If any gathering of Unit Owners is not a legal meeting because a quorum has not been attained, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called. No notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place. The adjournment provisions of this Section do not apply to meetings by ballot.

Section 10. Order of Business and Conduct of Meetings. The order of business at meetings of the Unit Owners shall be as follows:

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

Unless otherwise provided in a resolution duly adopted by the Board of Directors, meetings of the Association and of the Board shall be conducted according to the latest edition of Robert's Rules of Order published by Robert's Rules Association. No decision of the Association or the Board may be challenged because the appropriate rules of order were not followed 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 was denied. A decision of the Association and 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.

ARTICLE IV

BOARD OF DIRECTORS QUALIFICATIONS, ELECTION, MEETINGS

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of three (3) or five (5) persons. All directors must be an Owner or co-Owner of a Unit. For purposes of this Section, the



officer of any corporate Owner, the partners of any partnership Owner and the members of any limited liability company Owner shall be considered co-Owners of any Units owned by such corporation or partnership. The qualifications for directors set forth herein do not apply to interim directors appointed by Declarant.

Section 2. Interim Directors. Upon recording of the Declaration, the Declarant will appoint an interim board of three (3) directors who shall serve until replaced by Declarant or until their successors have been elected by the Unit Owners as hereinafter provided.

Section 3. Election and Term of Office. At the turnover meeting, the interim directors shall resign and five (5) successors shall be elected as herein provided. If five (5) directors are elected, the two directors receiving the first and second largest numbers of votes shall serve three-year terms, the two directors receiving the third and fourth largest numbers of votes shall serve two-year terms, and the director receiving the fifth largest number of votes shall serve one-year term. At the expiration of the initial term of office of each director, a successor shall be elected to serve a term of three (3) years. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 4. Vacancies. Vacancies on the Board of Directors caused by any reason other than removal of a director by a vote of the Association shall be filled by vote of a majority of the remaining directors, even though they may constitute less than a quorum, or by a sole remaining director. Each person so elected shall be a director until a successor is elected upon the expiration of the term for which such person was elected by the other directors to serve. Vacancies in the interim Board of Directors shall be filled by Declarant.

Section 5. Removal of Directors. At any annual or special meeting, other than a meeting by ballot, any one or more of the directors, other than interim directors, may be removed with or without cause, by vote of the Unit Owners, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Unit Owners may be given an opportunity to be heard at the meeting. Removal of a Board Member shall not be effective unless the matter of the removal is an item on the agenda and stated in the requisite notice for the meeting under ORS 100.407.

Section 6. Open Meetings. All meetings of the Board of Directors shall be open to Unit Owners. For other than emergency meetings, notice of the time and place of directors' meetings shall be posted at a place or places at the Condominium at least three (3) days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform Unit Owners of such meetings. 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 Chairperson or other



presiding officer of the Board shall state the general nature of the action to be considered, as precisely as possible, and when and under what circumstances the deliberations can be disclosed to Unit Owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting.

Only the following matters may be discussed in executive session: (a) consultation with legal counsel concerning the rights and duties of the Association with regard to existing or potential litigation or criminal matters; (b) personnel matters, including salary negotiations and employee discipline; (c) negotiations of contracts with third parties; and (d) collection of unpaid assessments. A contract or action considered in executive session does not become effective unless the Board of Directors, following the executive session, reconvenes in an open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes.

Section 7. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order to hold such meeting, providing a majority of the newly elected directors are present. Such meeting may be held immediately following the turnover meeting.

Section 8. 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 9. Special Meetings. Special meetings of the Board of Directors may be called by the Chairperson or Secretary or on the written request of at least two (2) directors. Special meetings of the Board of Directors may be called on three (3) days' notice to each director, given personally or by mail or telephone, which notice shall state the time, place, and purpose of the meeting.

Section 10. Conference Call Meetings. Emergency 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 all of the other directors. The directors shall keep telephone numbers on file with the Chairperson to be used for telephonic meetings.

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



Section 12. 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 13. Compensation for Directors. No director shall be compensated in any manner, except for out-of-pocket expenses not exceeding \$100 in any twelve (12) month period, unless such compensation is approved by vote of the Unit Owners.

Section 14. Liability. A Member of the Board of Directors or an officer of the Association shall not be liable to the Association or any member thereof for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, except for acts of gross negligence or intentional misconduct. In the event any member of the Board of Directors or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

ARTICLE V

ASSOCIATION RESPONSIBILITIES; BOARD OF DIRECTORS' POWERS AND DUTIES

Section 1. Association Responsibilities. The Association will have the responsibility of administering the Condominium; approving the annual budget; establishing and collecting assessments; arrange for the operation, management, and maintenance of the Condominium, including negotiating and contracting with and supervising any person, persons, or business entity with respect to such matters; instituting, defending, or intervening in litigation or proceedings in its own name or on behalf of two (2) 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. 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 required by law or these Bylaws to be exercised and done by the Unit Owners. Specifically and without limitation, the Board of Directors shall have authority to carry out and be responsible for the following matters:



(a) Operation, care, upkeep, maintenance, repair, supervision and replacement of the General Common Elements, Association Property, and the Limited Common Elements, except to the extent this obligation is imposed on the Unit Owner in these Bylaws.

(b) Determination of the amounts required for operation, maintenance, and other affairs of the Association; preparation and adoption of operating budgets; and setting assessments therefor.

(c) Collection of assessments from 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 payment, which shall require a sufficient number of signatories on checks and vouchers thereon as shall be reasonably necessary to prevent any misuse of Association funds.

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

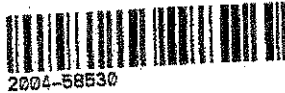
(f) Employment of legal, accounting, or other personnel or consultants for reasonable compensation to perform such services as may be required for the proper administration of the Association, and preparing and filing the required income tax returns or forms.

(g) Opening and maintenance of bank accounts, which must be within the State of Oregon, on behalf of the Association and designating the signatories required therefor. Separate bank accounts shall be maintained for assessments and for reserves. All expenses of the Association shall be paid from the appropriate Association shall be paid from the appropriate Association account(s).

(h) Purchasing Units of the Condominium at foreclosure sales in the name of the Association, or its designee, pursuant to ORS 100.460, on behalf of all the 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 lien and costs and expenses incurred in such action. No other bid by the Association to purchase a Unit shall be made 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 the Unit Owners pursuant to ORS 100.460.

(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 a majority vote of the Unit Owners. This limitation shall not be applicable to repairs or maintenance undertaken pursuant to subparagraph (a) above.

(l) Executing, acknowledging, delivering and recording on behalf of the Unit Owners leases, easements, rights of ways, licenses, and other similar interests affecting the general Common Elements or consent to vacations of the same, after the grant or vacation of such interests has been approved as provided in the Declaration.

(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) Establish, periodically update, and implement a Maintenance Plan which identifies those components of the common elements requiring periodic maintenance, including a maintenance manual defining how and when such maintenance should be performed and setting for the estimated cost of such maintenance. The Maintenance Plan shall provide for an annual inspection of the property for evidence of water intrusion or other needed repairs by a knowledgeable independent party, and the Board shall reasonably address any matters revealed by the inspection. Copies of any written inspection reports received within five (5) years following the organizational and turnover meeting shall be delivered to the Declarant. The operating and reserve budgets of the Association shall take into account such costs. Changes or updates to the Maintenance Plan should be based upon the advice of competent experts or consultants.

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

(p) Except as otherwise provided in the Declaration, Articles of Incorporation or these Bylaws, authorize any officer or agent to enter into any contract or execute any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized in writing by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or for any amount.

Section 3. Reports and Audits; Record Keeping.

(a) The Board or its designee shall keep detailed, accurate records, in chronological order, of the receipts and expenditures affecting the Common Elements, itemizing the maintenance and repair expense of the Common Elements and any other



expenses incurred, and shall keep any other financial records sufficient for proper accountings purposes.

(b) An annual report 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 no expense to the Association, cause an audit or inspection to be made of the books and records of the Association.

(c) The Board of Directors shall maintain within the State of Oregon at all times 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 document shall be made available for duplication during reasonable hours. The Board may charge a reasonable fee for furnishing copies to a Unit Owner, mortgagee or prospective purchaser.

Section 4. Managing Agent. The Board of Directors will 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 VI of these Bylaws.

Section 5. Annual Report. After the turnover meeting described in Article III, Section 3, has been held, the Board or its designee shall annually prepare and deliver to the office of the Oregon Real Estate Agency, not later than the "report date," an annual report as provided in the Act. The "report date" shall be the anniversary date on which the Condominium Information Report was filed in the office of the Oregon Real Estate Agency. The annual report shall set forth:

- (a) The name of the Association;
- (b) The name of the Condominium and the county in which the Condominium is located;
- (c) The mailing address, including the street and number, if any, and county of the Association;



(d) The name and residence or business address, including the street and number, of the person designated as agent to receive service of process in cases provided in ORS 100.550(1) and any other legal proceeding relating to the Condominium or Association; if the designated agent has been changed since the last annual report was filed, the report shall contain a statement that the new agent has consented to the appointment; and

(e) The names and addresses of the Chairperson and Secretary of the Association.

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

(1) The name of the Association as shown on the current records of the Office of the Secretary of State;

(2) The name of the Condominium and county in which the Condominium is located;

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

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

Section 6. Statement of Association Information. The Board of Directors may, at its discretion or if required by statute, prepare and record in the county records a Statement of Association Information pursuant to ORS 94.667.

ARTICLE VI

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 appointed by the Board of Directors. The Chairperson shall be a Unit Owner. The Secretary and Treasurer need not be Unit Owners. The Board may appoint an Assistant Treasurer and an Assistant Secretary, and any such other officers as in their judgment may be necessary or desirable.

Section 2. Appointment of Officers. The officers of the Association shall be appointed 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 appoint 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 a successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 4. Chairperson. The Chairperson shall be the chief executive officer of the Association. The Chairperson shall preside at all meetings of the Association and of the Board of Directors, and 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 may be appropriate to assist in the conduct of the affairs of the Association.

Section 5. Secretary.

(a) The Secretary shall keep or cause to be kept a Book of Minutes of all meetings of the Board of Directors and members showing the time and place of the meeting, whether it was regular or special, and if special, how authorized, the notice given, the names of those present at directors' meetings, the number of memberships present or represented at members' meetings and the proceedings thereof.

(b) The Secretary shall give or cause to be given such notice of the meetings of the members and of the Board of Directors as is required by these Bylaws or by law. The Secretary shall keep the seal of the Association, if any, and affix it to all documents requiring a seal, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

(c) In the absence or disability of the Chairperson, the Chairperson's duties and powers shall be performed and exercised by the Secretary.

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. The Treasurer shall be responsible for (1) the preparation of all required financial statements, (2) 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, and (3) 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 for 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 VII

EXPENSES AND ASSESSMENTS

Section 1. Assessments. All Unit Owners are obligated to pay assessments imposed and billed by the Board of Directors to meet all the common expenses and for such other reasons and purposes as provided in the Declaration or Bylaws. A coupon book containing remittance statements for the assessments, reflecting the date each payment is due, will be mailed to each Unit Owner. A reminder notice will be sent to any Unit Owner whose payment is not received in accordance with the Association's policy. The term "assessment," as used in the Declaration or Bylaws, means any monthly, quarterly, annual, or one-time 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 use or non-use of Common Elements or abandonment of a Unit. From the date of conveyance of the first Unit in the first stage of the Condominium and, for subsequent stages, from the date of recording the applicable Supplemental Declaration, Declarant shall pay assessments due for operating expenses on all unsold Units.

Section 2. Deferring Commencement of Assessments. Until the turnover meeting, Declarant may elect to defer commencement of all or part of common expense assessments as to all Units in the Condominium or in a stage of the Condominium. Additionally, until the Supplemental Declaration for the final stage has been recorded, or Declarant determines that no additional stages will be annexed, Declarant may elect to subsidize part of the common expense assessments as to all Units in the Condominium or in a stage of the Condominium. If Declarant so elects to defer commencement of all or part of common expense assessments (with respect to any unsold Units), Declarant shall pay as they accrue and be responsible for all or part of the common expenses attributable to the Condominium Unit of Units 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, or prior to the termination of subsidization.

Section 3. Determination of Common Expenses. Common expenses shall include:

- (a) Expenses of administration.
- (b) Expenses of maintenance, repair or replacement of General Common Elements.
- (c) Cost 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 General Common Elements and other utilities with a common meter or commonly billed.
- (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.

(a) The initial budget and estimated assessment shall be determined by Declarant. The budget and assessment shall thereafter be subject to review by the Board of Directors. The Board shall from time to time, and at least annually, prepare a budget for the expenses of the Association to be incurred during the coming year or fiscal period, and determine the annual assessment and any special assessments to be paid during such year or period. 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. In the event that additional Units are annexed to the Condominium during any fiscal year, the Board shall determine in its sole discretion whether a new budget is required and, if so, shall prepare such budget for the remaining portion of the fiscal year to determine the amounts of assessments to be paid for the remaining portion of the fiscal year.

(b) From time to time, and at least annually, the Board of Directors shall prepare a budget for the Association, estimating the common expenses expected to be

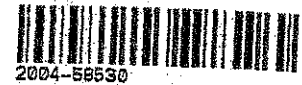


incurred with adequate allowance for reserves, and determine whether the Annual Assessment should be increased or decreased. Within thirty (30) days after adopting a proposed annual budget, the Board of Directors shall provide a summary of the budget to all Unit Owners. If within thirty (30) days after the summary is provided to the Unit Owners the Board of Directors is petitioned by Unit Owners representing twenty percent (20%) of the voting rights of the Association, the Board shall call a meeting of the Unit Owners to consider rejection of the budget. The date of the meeting shall be not less than fourteen (14) nor more than thirty (30) days after receipt of the petition. At the meeting, whether or not a quorum is present, the budget shall be adopted unless seventy-five percent (75%) or more of the voting rights of the Association rejects the budget. If the proposed annual budget is rejected, the last annual budget shall continue in effect until the Unit Owners approve a subsequent budget.

Section 5. Working Capital Fund. A working capital fund shall be established initially by the Declarant in an amount equal to two (2) months of estimated common expenses for each Unit. Such amount shall be collected upon closing of the sale of each Unit or upon transfer of control of the Association to the Owners, whichever occurs earlier. Establishment and payment of the initial working capital account amounts shall not relieve the Owner of its obligation to make payments of regular monthly assessments nor shall such payment be considered to be an advance payment of any regular monthly assessments to cover common expense. No portion of these funds shall be used by the Declarant to defray any of its expense, construction costs, or to make up any budget deficiencies while it is in control of the Association. Declarant shall be permitted to reimburse itself for the initial working capital contributions actually paid by Declarant for any unsold Units by collecting the amount paid from each Owner at the closing of the sale of such Unit.

Section 6. Reserve Accounts for Replacement of Common Elements. The initial budget determined by Declarant shall make provision, based upon a reserve study in accordance with ORS 100.175, for a reserve account or accounts for replacement of those Common Elements which will normally require replacement in more than three (3) and less than thirty (30) years. The reserve account assessment shall take into account the estimated remaining life of such items and the current replacement cost thereof. The amount of payments to the reserve account shall be adjusted at regular intervals to recognize changes in current replacement costs over time. The Board of Directors shall annually conduct a reserve study or review and update the existing study to determine the reserve account requirements.

The initial reserve study to be conducted by the Declarant and all annual updates thereof by the Board of Directors shall include (i) an identification of all items for which reserves are to be established; (ii) the estimated remaining useful life of each item as of the date of the reserve study; (iii) an estimated cost of maintenance, repair or replacement of each item at the end of its useful life, and (iv) a thirty-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 reserve account must be funded by assessments against the individual Unit assessed for maintenance of items for which the reserve account is established. For example, if a Unit or Units are assessed separately for maintenance of a particular limited or general Common Element, the same Unit or Units will be assessed separately for any reserve account established for that particular limited or general Common Element.

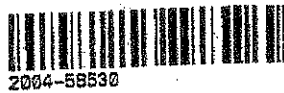
The assessment for the reserve account will accrue from the time of the conveyance of the first individual Unit assessed. Declarant may elect to defer payment of the accrued reserved assessment for any unsold Unit until the time of conveyance of that Unit. However, the Declarant may not defer payment of the accrued reserved assessment beyond the date of the turnover meeting or, if no turnover meeting is held, beyond the date the Unit Owners assume administrative control of the Association. The books and records of the Association shall at all times reflect amounts owed by Declarant for reserve assessments.

The reserve account shall be established in the name of the Association and funds held in the reserve account may be prudently invested for the benefit of the Association. The reserve account is to be used only for replacement of Common Elements and shall be kept separate from the general operating account of the Association. However, after the turnover meeting, the Board of Directors may borrow funds from the reserved account to meet high seasonal demands on the regular operating funds or to meet unexpected increases in expenses which will later be repaid from special assessments or maintenance fees if the Board has adopted a resolution, which may be a continuing annual resolution, authorizing the borrowing of funds. No later than the adoption of the budget for the following year, the Board of Directors shall adopt by resolution a written repayment plan providing for repayment of the borrowed funds within a reasonable period.

Assessments paid into the reserve account are the property of the Association and are nonrefundable to sellers of Units.

On an annual basis, the Association may elect not to fund the reserve account based upon unanimous vote of the Owners or may elect to reduce or increase future assessments for the reserve account by an affirmative vote of at least seventy-five percent (75%) of the Owners.

Section 7. 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 8. Assessments Allocated to Each Unit; Individual Assessments.

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, Unit Owners may be assessed additional amounts individually for common expense incurred through such Unit Owner's fault or direction. Further, Unit Owners may be assessed additional amounts individually for fines, charges, and expenses in the process of collection of assessments and enforcement of the Declaration, Bylaws, and rules and regulations pursuant to Article VIII, and as otherwise provided by these Bylaws. Unless a complaint has been filed against the Owner and litigation is pending, the Association shall provide, within ten (10) business days of receipt of a written request from the Unit Owner, a written statement that provides (a) the amount of all regular and special assessments, fines and other charges, accrued interest, and late payment charges unpaid at the time the request was received; (b) the percentage rate at which interest accrues on assessments not paid when due; and (c) the percentage rate or fixed amount at which late payment charges were determined.

Section 9. Omission of Budget and Assessments. The omission by the Board before the expiration of any fiscal year to fix the budget, estimate the expense, 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 assessments fixed for the preceding year and any unpaid portions of prior special assessments shall continue until new assessments are fixed.

Section 10. Debt Obligation; Installment; Interest. Each assessment shall be the joint and several personal obligation of the Owner(s) of the Unit as of the time it is assessed. Other than Special Assessments, Assessments shall be billed monthly by the Association, or a management agent designated by the Association, and shall be paid monthly. Special Assessments shall be billed as authorized by the Board of Directors. 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 11. 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. A lien includes interest, late charges, attorney fees, costs or other amounts levied under the Declaration or Bylaws. The lien is prior to all other liens or encumbrances upon the Unit except:

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



(c) Notwithstanding subparagraph (b) above, the Association's lien shall be prior to the lien of any first mortgage or trust deed of record for the Unit and the undivided interest in the Common Elements if:

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

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

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

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

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

Section 12. Deed in Lieu of Foreclosure. A deed in lieu of foreclosure accepted by the holder of a first mortgage or the beneficiary of the 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, to the extent such assessments are greater than the last six (6) months' assessments, in the following circumstances:

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

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



Section 13. Transferee's Liability for Unpaid Share of Common Expenses.

(a) Where the purchaser of a Unit obtains title to the Unit as a result of foreclosure of the first mortgage or trust deed, such purchaser, or any successors and assigns, shall not be liable for any unpaid assessments against such Unit or its Owner which became due prior to the acquisition of title to such Unit by such purchaser. All unpaid and unrecoverable assessments shall be a common expense of all the Unit Owners including such purchaser, or any successors and assigns.

(b) In a voluntary conveyance of a Unit, the grantor shall be required to pay any outstanding lien(s) to the Association at or prior to the closing of such sale. If not so paid, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor of the Unit to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. 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.

Section 14. Statement of Common Expenses and Assessments. The Board of Directors shall promptly provide any Unit Owner who makes a request in writing with a written statement of the Owner's unpaid assessments.

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. As described in Section 17.5 of the Declaration, except with respect to any action by the Association to collect assessments (other than assessments attributable to fines), to foreclose on an existing lien or execute an existing judgment, any dispute in which the Association and a Unit Owner have an adversarial relationship shall be subject to binding arbitration rather than litigation. The party intending to institute arbitration proceedings shall first, however, offer to use any dispute resolution program (mediation) available in Washington County. The written offer 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. The other party shall, within ten (10) days after receipt of the notice, acknowledge receipt of the notice and its agreement to participate in dispute resolution (mediation) as set forth in ORS 100.407(11). The notice of

acceptance must be in writing, hand-delivered or mailed to the initiating party, and must include the name, address and telephone number the body administering the dispute resolution/mediation program. If the offer to mediate the dispute is not so accepted, the initiating party may proceed to commence its arbitration proceedings. In the event an offer to mediate pursuant to ORS 100.407(11) is not made prior to institution of litigation or arbitration, upon motion of the non-instituting party, any litigation or arbitration proceeding may be stayed for thirty (30) days. If such proceeding is stayed, both parties shall then participate in dispute resolution (mediation). Unless a stay of litigation or arbitration has been granted, if the dispute resolution process has not been completed within thirty (30) days after receipt of the initial offer, the initiating party may commence its arbitration proceeding without regard to whether the dispute resolution (mediation) is completed. No decision by the arbitrator or court, once made, may be set aside on the grounds that an offer to first use dispute resolution (mediation) was not made. Dispute resolution (mediation) shall not be required if circumstances exist where irreparable harm to a party will occur due to delay nor shall it be required prior to commencement of litigation or administrative proceedings initiated to collect assessments, other than assessments attributable to fines.

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 such 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, attorneys fees for collection 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. The amount of such late fees and fines shall be determined by the



Board of Directors in an adopted resolution. A copy of such resolution, and any updates thereto, shall be delivered or mailed to the designated mailing address of each Unit Owner.

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

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

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 access to and use of recreational or service facilities available to Unit Owners and, after giving notice and an opportunity to be heard, terminate the rights of any Owners to receive such benefits or services until the correction of any violation covered by such rule has occurred.

Section 9. Attorney's Fees. In addition to any other provision in the Bylaws with respect to attorney fees, in any suit or action brought by the Association to foreclose its lien, collect delinquent assessments, or to enforce compliance with the terms and provisions of the Act, the Declaration or Bylaws, all amendments or supplements thereto, or any rules or regulations adopted thereunder, the prevailing party shall be entitled to recover reasonable attorney fees therein and in any appeal therefrom.

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 the Owner's 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 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, heating or air conditioning fixtures, telephones, water heaters, fans, lighting fixtures and lamps, fireplaces and flues, refrigerators, dishwashers, ranges, ovens, or other appliances and accessories that may be in or connected with the Unit Owner's Unit, regardless of whether such items are designated Common Elements.

(c) Each Unit Owner shall keep any areas that are designated as Limited Common Elements appurtenant to the Unit Owner's Unit in good repair and in a safe, neat, clean, and sanitary condition and shall be responsible for replacement when needed of any Limited Common Element which adjoins the Unit. In a situation where a Limited Common Element (such as a fence) may be deemed to be for the joint benefit of two or more Units, the affected Unit Owners shall share pro rata in the costs of any needed repair or replacement.

(d) A Unit Owner shall promptly reimburse the Association for any expenditures incurred in repairing or replacing any Common Element damaged through the Unit Owner's fault or at the Unit Owner's direction, as provided in Article X, Section 7, of these Bylaws.

(e) All other maintenance, repair, and replacement to the General Common Elements shall be made by the Association as a common expense.

Section 2. Sprinkler-Riser Rooms. There will be a lock box permanently installed in each Building. Certain Units will be adjacent to a sprinkler-riser room. A key to each of these sprinkler-riser rooms will be housed in the respective lock box of the Building in which they are located and the Unit Owners of the adjacent Units acknowledge access by emergency personnel, if necessary, in the event of an emergency situation, whether or not the Unit Owner is at home.



Section 3. Use of Units; Internal Changes, Alterations.

(a) All Units shall be used for residential purposes only, and all Common Elements shall be used in a manner conducive to such purposes. Provided, however, that the ground floor units in the Buildings 11, 12, 13, 14, 15 and 16 (the "Commercial Units") may be converted to commercial uses allowed by the City of Beaverton. A Unit Owner shall be permitted to lease or rent such Unit or any part thereof to others so long as the rental period is not less than thirty (30) days. Any lease or rental agreement shall provide that the terms of said agreement shall be subject in all respects to the provisions of the Declaration, Bylaws, and rules and regulations adopted by the Board of Directors and that any failure by the tenant to comply with the terms of such documents shall be a default under said agreement. A Unit Owner may be assessed individually for common expenses incurred through such tenant's fault or direction and for fines, charges and expenses incurred in enforcing the Declaration, Bylaws, and rules and regulations with respect to such tenant. All such agreements that provide for a tenancy in excess of one month shall be in writing, and copies shall be given to the Board of Directors. The Owner shall be responsible for ensuring that its tenant is given copies of the Declaration, Bylaws, and any rules governing the Condominium and for its tenant's compliance therewith.

(b) A Unit Owner shall make no repair or alteration or perform any other work on any 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 these limitations, however, a Unit Owner may:

(i) Make any improvements or alterations to any Unit that does not impair the structural integrity, life safety or mechanical systems of the Condominium or lessen the support of any portion of the Condominium.

(ii) After acquiring an adjoining Unit or an adjoining part of an adjoining Unit, 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 the Owner's 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 4. Use of the Common Elements. A Unit Owner shall not place or cause to be placed in the patios, balconies, porches, decks, ramps, vestibules, stairways, and other Condominium areas and facilities of a similar nature, any furniture, packages, or objects of any kind, except that suitable furniture may be placed on the decks and balconies, if any. A Unit Owner may not change the appearance of the Common Elements or the exterior appearance of a Unit without permission of the Board of Directors. Subject to limitations contained in these Bylaws and the Declaration, 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. Outdoor living areas designated as Limited Common Elements shall be used exclusively for patios, low-profile decks, private plantings and landscaping and other reasonable outdoor living activities in accordance with any rules and regulations promulgated by the Board of Directors of the Association. The restrictions of this provision shall not apply to the placement of items used in connection with the commercial business carried on in a Commercial Unit, including, but not limited to awnings and furniture, to the extent permitted by the code of the City of Beaverton.

Section 5. Relocation of Boundaries.

(a) The boundaries between adjoining Units, including any intervening Common Elements, may be relocated or eliminated by an amendment to the Declaration. The Owners of the affected Units shall submit to the Board of Directors a proposed amendment which shall identify the Units involved, state any reallocations of Common Element interest, voting rights, common expense liability and right to common profits and contain words of conveyance. The Board of Directors shall approve the amendment unless it determines within forty-five (45) days that the reallocations are unreasonable or the relocation or elimination will impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium. Following such approval, the Board shall refer the matter to any vote required by the Declaration or the Act.

(b) The Board of Directors may require the Owners of the affected Units to submit an opinion, at the Owners' cost, of a registered architect or registered professional engineer that the proposed relocation or elimination will not impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium.

(c) The Board of Directors or any agent appointed by the Board of Directors may supervise the work necessary to effect the boundary relocation or elimination.

(d) The amendment shall be executed by the Owners and mortgagees or trust deed beneficiaries of the affected Units, certified by the Chairperson and Secretary of the Association and approved and recorded in accordance with ORS 100.135(1)(b).



(e) A plat necessary to show the altered boundaries between the adjoining Units shall be recorded in accordance with ORS 100.115.

(f) Any expenses incurred under this Section shall be charged to the Owners of the Units requesting the boundary relocation or elimination.

Section 6. Rules of Conduct. The following rules of conduct apply to all Unit Owners and other persons using the Condominium in any manner.

(a) Without prior written approval of the Board of Directors, no advertisements, posters, or signs of any kind shall be displayed to public view on or from any Unit or the Common Elements except signs used by Declarant to advertise Units for sale or lease. Approval shall not be unreasonably withheld for ordinary signs advertising Units for sale. The restrictions of this provision shall not apply to (i) Declarant's Sales Office and Model Home Signs: the placement by Declarant or Declarant's agents of one or more signs identifying the name of Declarant and/or the location of a sales office or model home; (ii) Construction: the placement by Declarant or Declarant's agents of signs customarily used in connection with the original construction and sales of houses; or (iii) Commercial Units: the placement by a Unit Owner of any Unit designated as a Commercial Unit (a "Commercial Unit") of signs used in connection with the commercial business carried on in said Commercial Unit, to the extent permitted by the code of the City of Beaverton.

(b) No noxious or offensive activities shall be carried on upon any Unit or the Common Areas, nor shall anything be done or placed in or on any Unit or Common Areas which interferes with or jeopardizes the enjoyment of other Units or which is a source of annoyance to residents. No unlawful use shall be made of a Unit or any part thereof, and all laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. Without limiting the generality of the foregoing, no heat pump or other heating, ventilating, or air conditioning equipment shall be installed in any Unit, the operation of which produces noise at a level higher than eighty (80) decibels. Approval as to installation of any such items shall also require written pre-approval of the Board of Directors and the Architectural Review Committee, appointed by the Board, if any. Provided, however, that installation of any such items shall be allowed in a Commercial Unit if used in connection with the commercial business carried on in said Commercial Unit, to the extent permitted by the code of the City of Beaverton. All persons shall exercise extreme care about creating disturbances, making noises or using musical instruments, radios, television, and amplifiers that may disturb other residents.

(c) No animals, including poultry, shall be raised or kept in any Unit, except that a total of two (2) dogs, cats or other household pets may be kept, provided they are not raised or kept for commercial purposes and are not permitted to cause damage, discomfort, unreasonable odor or noise to neighbors and neighboring Units. Pets will



be allowed as long as the pet owner shall at all times strictly comply with the provisions of this Section, any additional rules and regulations adopted by the Board of Directors, and all municipal or other laws and regulations relating to pets, including but not limited to leash and licensing laws. No pet owner shall permit any pet to bark or otherwise annoy in any manner other Unit Owners. All pet owners shall immediately remove any waste deposited by a pet in any General or Limited Common Elements. Owners whose pets cause inconvenience to other Owners shall take all steps necessary to prevent recurrence thereof, and Owners whose pets damage other Owner's Units or personal property shall reimburse such other Owner(s) for reasonable costs actually incurred by them in repairing such damage. The Board of Directors shall have the right to require removal of a pet from the Condominium after sending two (2) notices in writing to the Unit Owner of violation of any provisions of this Section or such other rules and regulations governing pets as may be adopted by the Board of Directors.

(d) No garments, rugs, and similar items shall be hung from the windows or from any of the facades, decks, porches, or stairways of the Condominium. It is prohibited to hang or shake dust rags, mops, and similar items from the windows or decks, porches, or stairways, or to clean such items by beating them on an exterior part of the Buildings.

(e) No garbage, trash, or other waste shall be deposited or maintained on any part of the Common Elements except in areas or containers designated for such items. Provided, however, that the placement of adequate trash receptacles used in connection with the commercial business carried on in a Commercial Unit shall be permitted, to the extent permitted by the code of the City of Beaverton

(f) No person shall install wiring for electrical or telephone installation, machines, or air conditioning units or similar devices on the exterior of the Condominium or cause them to protrude through the walls or the roof of the Condominium except as authorized by the Board of Directors. No exterior window guards, awnings, or shades, or exterior lights or noise-making devices shall be installed without the prior consent of the Board of Directors. No Owner may erect or maintain a television or radio receiving or transmitting antenna, satellite dish or similar implement or apparatus, or solar collection panels or equipment upon any Unit or the Common Areas without prior written approval from the Board of Directors or any Architectural Review Committee. If approved, such apparatus must be erected and maintained in such a way that it is screened from public view. The Board of Directors and any Architectural Review Committee shall have the absolute authority to determine whether an accessory is adequately screened from public view. The authority of the Board and any Architectural Review Committee in this matter shall be subject to any regulations issued by the Federal Communications Commission or any other applicable governmental authority. The restrictions of this provision shall not apply to the placement of items used in connection with the commercial business carried on in a Commercial Unit, to the extent permitted by the code of the City of Beaverton.



(g) In order to preserve the attractive appearance of the Condominium, the Board of Directors or Architectural Review Committee may regulate the nature of items which may be placed in or on windows, decks, patios, balconies, porches, fences and the outside walls so as to be visible from other Units, the Common Elements, or outside the Condominium. All such items shall be maintained in a neat, clean, and sanitary manner by the Unit Owner. All windows shall be covered with material that is white or lined with white, or as the Board or Committee approves. The restrictions of this provision shall not apply to the placement of items used in connection with the commercial business carried on in a Commercial Unit, including, but not limited to awnings and furniture, to the extent permitted by the code of the City of Beaverton.

(h) The parking spaces, if any, designated as General Common Elements or on public streets adjacent thereto in the Declaration are intended for use of automobiles of only Unit Owners, tenants, and guests. The Board may make such rules necessary to govern the use of any parking spaces by which all Unit Owners and other users shall be bound. No Owner shall be permitted to (i) place any barrier or similar item across any Common Area or his or her individual driveway, (ii) allow the growth of vegetation upon the Owner's driveway, (iii) park, or allow the parking of, vehicles in his or her driveway in such a manner that any portion of the vehicle is located in any portion of a General Common Area, or adjacent public street, or (iv) use his or her driveway in a manner that materially diminishes the rights of the public to use the sidewalks or Common Areas for their ordinary and customary purposes.

(i) No trucks, boats, house trailers, motor homes, pickup campers, mobile homes, tents or like recreational vehicles shall be used for residential purposes either temporarily or permanently, nor shall they be stored or parked on the Common Elements except in areas, if any, specifically so designated by the Board of Directors.

(j) No commercial activities of any kind shall be carried on in any Unit or in any portion of the Condominium without the consent of the Board of Directors, except (1) activities relating to the rental or sale of Units; (2) activities by the Declarant or any contractor or subcontractor retained by the Declarant to construct Units; (3) activities by any contractor or subcontractor retained by the Declarant, the Association, or a Unit Owner to repair or remodel a Unit, provided that any exterior or structural construction activities be preapproved by the Board of Directors; (4) storage of any construction materials and equipment in the normal course of construction related to subsections (2) or (3) hereof; (5) use of any Unit(s) by the Declarant or its marketing representatives as a sales or rental office or model Unit for purposes of sales or rental of Units; and (6) the operation of a business in a Commercial Unit, to the extent permitted by the commercial code of the City of Beaverton. This provision, however, shall not be construed so as to prevent or prohibit a Unit Owner from maintaining a professional personal library, keeping personal business or professional records or accounts, handling personal



business or professional telephone calls, or occasionally conferring with business or professional associates, clients, or customers, in the Owner's Unit, deck or patio area.

(k) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the cost of insurance on the Common Elements. No Unit Owner shall permit anything to be done or kept in any Unit or in the Common Elements which will result in cancellation of insurance on any Unit or any part of the Common Elements.

(l) No person shall carry on any criminal activities in the Condominium.

(m) No Owner shall permit any vehicle which is in a state of disrepair to be abandoned or to remain parked upon the General or Limited Common Areas or on the adjacent public streets at any time unless within a Unit's enclosed garage, if any, for a period in excess of 48 hours. A vehicle shall be deemed in a "state of disrepair" when the Board reasonably determines that its presence offends the occupants of the Condominium or surrounding neighborhood. Should any Owner fail to remove such vehicle within five days following the date on which notice is mailed to such Owner by the Association, the Association may have the vehicle removed and charge the expense of such removal to the Owner.

(n) Each Owner shall ensure that the wall(s) separating such Owner's Unit from other Units within the same Building are not punctured or otherwise breached by such Owner or Owner's lessees, invitees, contractors, or family members.

(o) No Owner may install a permanent basketball Hoop on any Unit or on the Common Areas without the prior written approval by the Board of Directors or Architectural Review Committee. The Board or Committee may, in its discretion, prohibit such basketball hoops. Basketball hoops shall be prohibited if the area of play is intended to be the street.

(p) There shall be no interference with the established drainage patterns or systems over or through the Limited or General Common Areas without the prior written approval of the Board of Directors and any Architectural Review Committee.

(q) No Owner shall dump or pour liquids or materials down the catch basins of any stormwater system within the Condominium or any adjacent public streets.

Section 7. 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 Units and Common Elements as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Condominium. Such rules and regulations 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, which policies shall be in the name of the Association, and shall pay for the same out of the common expense funds.

(a) **Fire and Extended Coverage.** A policy or policies of property insurance equal to full replacement value (i.e., one hundred percent (100%) of current "replacement" cost) exclusive of land, foundation, 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 Agreed Amount and Inflation Guard Endorsement or its equivalent, if available. Such policy or policies shall name the Declarant, the Association, and the Unit Owners as insured and shall provide for a separate loss payable in favor of all mortgagees, their successors, and assigns. Such policy or policies shall provide protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement and by vandalism and malicious mischief. Such policy or policies may provide protection against loss or damage from windstorm, water damage, and such other risks as are customarily covered in similar condominium projects. Such policy or policies shall be with an insurer with a policy holder's rating of at least B and a financial rating of not less than III (or as an alternative an A general) under Best's Insurance Reports. In no event shall such policy or policies have a deductible clause in excess of One Thousand Dollars (\$1,000) per Unit.

(b) **Liability Coverage.** A comprehensive policy or policies insuring the Association, the Unit Owners individually, the Board of Directors, and the manager or managing agent, if any, against liability to the public, the Unit Owners, and the 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.

(d) Flood Insurance. In the event the property is located within an area which has been officially identified by the Secretary of Housing and Urban Development as having special flood hazards or for which flood insurance has been made available under the National Flood Insurance Program ("NFIP"), the Association shall obtain and pay the premiums upon, as a common expense, flood insurance on the Buildings and other property. Such flood insurance shall be in an amount deemed appropriate by the Board of Directors of the Association but shall not be less than the lesser of (a) the maximum coverage available under the NFIP for all Buildings or other insurable property within the special flood hazard area; or (b) 100% of current replacement cost of all such Buildings or other insurable property within such an area.

Section 2. Policy Provisions. The Board of Directors shall make every effort to secure insurance policies that will provide for the following:

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

(b) A provision that the master policy is primary in the event a Unit Owner has other insurance covering the same loss.

Section 3. Fidelity Insurance.

(a) The Board of Directors shall cause the Association to maintain blanket fidelity insurance for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of, or administered by, the Association. In the event the Association has retained a managing agent, the Board of Directors may require such agent to maintain fidelity insurance for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association.

(b) The total amount of fidelity coverage required shall be based upon the best business judgment of the Board of Directors.

(c) Such fidelity insurance shall name the Association as obligee and shall contain waivers by the issuers of the insurance of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The insurance shall provide that it may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at



least 10 days prior written notice to the Association and, if applicable, to FNMA or a FNMA servicer.

Section 4. Directors and Officers Liability. The Board may secure and maintain directors and officers liability insurance for the directors and officers of the Association. The cost of said liability coverage shall be a common expense.

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, and their first mortgage holders, as their interest may appear, or, upon demand of any mortgagee, to an insurance trustee acceptable to the Association and mortgagees of Units.

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

Section 7. Unit Owner's Reimbursement. A Unit Owner shall promptly reimburse the Association for any expenditures incurred in repairing or replacing any portions of the Common Elements or Units that are damaged or lost through the Owner's fault or at the Owner's 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.



Section 9. Other Insurance Requirements. Insurance obtained by the Association shall be governed by the following requirements:

(a) All policies shall be written with the State of Oregon or a company licensed to do business in the State of Oregon, a category as defined in Section 1(a).

(b) Notwithstanding the provisions of Section 1(a) above, there may be named as an insured, on behalf of the Association, the Associations' authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement, or any successor to such trustee. Such insurance trustee shall have exclusive authority to negotiate losses under any property or liability insurance policy. Each Unit Owner appoints the Association, or any insurance trustee or substitute trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance including: the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purchase. The Association or insurance trustee shall receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their first mortgage holders, as their interests may appear.

(c) All property insurance policies shall contain endorsements providing for the following: recognition of any Insurance Trust Agreement, a waiver of the right of subrogation against Unit Owners individually, that the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Unit Owners collectively, and that the policy is primary in the event the Unit Owner has other insurance covering the same loss, and any such other insurance policies of the Unit Owners or their mortgagees shall not be brought into contribution with the insurance policies to be obtained by the Association.

(d) For purposes of this Article, insurance policies are unacceptable where (i) under the terms of the insurance carrier's charter, bylaws or policy, contributions or assessments may be made against the Association, Unit Owners, or (ii) by the terms of the carrier's charter, bylaws or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders or members, or (iii) policy includes any limiting clauses (other than insurance conditions) which could prevent Unit Owners from collection insurance proceeds.

(e) All policies required by this Article shall provide that they may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy. Evidence of insurance shall be issued to each Unit Owner and mortgagee upon request.

(f) Any Unit Owner who obtains individual insurance policies covering any portion of the property other than his personal property and fixtures shall file a copy of such individual policy or policies with the Association within thirty (30) days after the purchase of such insurance.

ARTICLE XI

DAMAGE AND DESTRUCTION

Section 1. Insurance Proceeds Sufficient to Cover Loss. In case of fire, casualty, or any other damage or 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 General Common Element having the same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished under the direction of the Board of Directors or its designee.

Section 2. Insurance Proceeds Insufficient to Cover Loss. If the insurance proceeds are insufficient to reconstruct the damaged or destroyed property, the damage to, or destruction of, such property shall be promptly repaired and restored by the manager or the Board of Directors, using the proceeds of insurance, if any, on such property for that purpose, and all the Unit Owners shall be liable for assessment for any deficiency for such reconstruction. Such deficiency shall include as part of the Unit Owner's contribution, any individual policy insurance proceeds paid or payable to 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 and mortgagees, by sixty-seven percent (67%) or more of all votes (as set forth in Section 13 of the Declaration as to mortgagees) 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 the Owner's 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 Washington County. Such appraiser's decision shall be final.
- (c) All costs and expenses incurred under the 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 from provisions of the Act shall comply with ORS 100.605 and other applicable statutes.
- (g) The property shall be subject to an action for partition at the suit of any Unit Owner. If a judgment of partition orders the sale of the property, the net proceeds of sale, together with the net proceeds of the policies 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 and mortgagees, by sixty-seven percent (67%) or more of all votes (as set forth in Section 13 of the Declaration as to mortgagees), 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 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

Section 1. How Proposed. Amendments to these Bylaws shall be proposed by either a majority of the Board of Directors or by Unit Owners holding fifteen percent (15%) or more of the voting rights. The proposed amendment must be reduced to writing, and shall be included in the notice of any meeting at which action is to taken thereon or attached to any request to consent to the amendment.

Section 2. Approval Required. 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, limitations on the number of people who may occupy Units, and limitations on the rental or leasing of Units must be approved by Unit Owners holding at least seventy-five percent (75%) of all the votes; and

(2) Declarant's written consent to any amendment shall be required until such time as 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;

(3) Declarant's written consent shall be required to any amendment which would limit or diminish any special Declarant's right and until such time as Declarant waives in writing this right of consent; and

(4) Mortgagees shall be entitled to such rights as are set forth in Section 13 of the Declaration.

Section 3. Recordation. 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. In approved, such amendments shall be recorded in Washington County. The Commissioner's approval is not required for an amendment to the Bylaws adopted five (5) years after the Bylaws are initially recorded.

Section 4. Additional Rights. Notwithstanding the provisions of this Article XIII, Declarant shall have the right to amend these Bylaws in order to comply with the requirements of the Federal Housing Administration, the Veterans Administration, the Farmers Home Administration of the United States, Fannie Mae, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon which insures, guarantees or provides financing for a planned community, lots in a planned community or condominiums.

ARTICLE XIV

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS

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

ARTICLE XV

MISCELLANEOUS

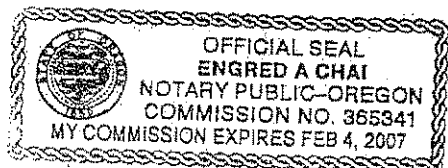
Section 1. Notices. All notices to the Association or to the Board of Directors shall be sent in care of the managing agent, or if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. All notices to any Unit Owner shall be sent to such address as may have been designated by him or her from time to time in writing to the Board of Directors, or if no address has been designated then to the 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 to the same, irrespective of the number of violations or breaches thereof which may occur.

Section 3. Invalidity; Numbers; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. As used herein, the singular shall include the plural, and plural the singular. The masculine and neuter shall each include masculine, feminine and neuter, as the context requires. All captions used herein are intended to be solely for convenience or reference and shall in no way limit any provision of these Bylaws.

It is hereby certified that these Bylaws have been adopted by Willamette Builders Group at Elmonica Station, LLC, Declarant of Elmonica Station Condominiums, and will be recorded in the Deed of Records of Washington County, together with the Declaration for said Condominium, after said Declaration is approved by the Real Estate Agency and the Assessor of said County.

DATED May 12th, 2004.



**WILLAMETTE BUILDERS GROUP
AT ELMONICA STATION, LLC**

By: [Signature]
Brent E. Keys, Authorized Member

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me on May 12th, 2004, by Brent E. Keys as Member of Willamette Builders Group at Elmonica Station, LLC.

[Signature]
Notary Public for Oregon