

**WRITTEN CONSENT OF THE BOARD OF DIRECTORS OF  
CULLY GREEN CONDOMINIUM OWNERS' ASSOCIATION  
IN LIEU OF ORGANIZATIONAL MEETING**

Pursuant to ORS 65.341, the undersigned, constituting sole member of the Board of Directors of Cully Green Condominium Owners' Association, an Oregon nonprofit corporation (the "Corporation"), hereby adopts the following resolutions by written consent:

Articles of Incorporation

RESOLVED, that the Articles of Incorporation in the form attached hereto as Exhibit A were filed in the office of the Corporation Division of the Oregon Secretary of State on July 22, 2020 and are acknowledged as the Articles of Incorporation of the Corporation.

Bylaws

RESOLVED, that the Bylaws in the form attached hereto as Exhibit B are adopted as the Bylaws of the Corporation.

Principal Place of Business

RESOLVED, that 4751 NE Going Street, Portland, Oregon 97218 be and hereby is fixed as the principal place of business for the transaction of business of the Corporation.

Agent for Service of Process

RESOLVED, that the name and address in the State of Oregon of the Corporation's agent for service of process is Eli Spevak, 4751 NE Going Street, Portland, Oregon 97218.

Fiscal Year

RESOLVED, that the fiscal year of the Corporation, for financial reporting, tax and all other purposes, be and it hereby is the period from January 1 to December 31.

Officers

RESOLVED, that the following individual(s) are hereby elected as officers of the Corporation as indicated below, to serve until their successor(s) are elected and qualified:

Eli Spevak	-	Chairperson, Secretary and Treasurer
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Bank Accounts

RESOLVED, that the officers of the Corporation are hereby authorized and directed, in the name and on behalf of the Corporation, to open checking, deposit and other accounts with banks and other financial institutions, with payments from such accounts to be made upon and according to the order of the Corporation, and to certify to any such bank or financial institution any form of resolution required by such bank or financial institution that is consistent with this resolution.

Insurance

RESOLVED, that the officers of the Corporation are hereby authorized and directed, in the name and on behalf of the Corporation, to obtain insurance in accordance with the Bylaws.

RESOLVED FURTHER, that the officers of the Corporation are directed to complete any applications for insurance, to pay all necessary premiums and, thereafter, to take all steps necessary to maintain the Corporation's insurance coverage.

Budget

RESOLVED, that the budget attached hereto as Exhibit C is hereby adopted as the initial budget for the Association.

Actions of Incorporator

RESOLVED, that all acts of the incorporator of the Corporation of every nature taken in conjunction with the organization of the Corporation shall be, and the same are, in all respects ratified, approved, adopted and confirmed.

General Authority

RESOLVED, that the officers of the Corporation be and they hereby are authorized and directed, in the name and on behalf of the Corporation, to take any and all further actions which any of them deem necessary or appropriate to effectuate the purposes of the foregoing resolutions.

IN WITNESS WHEREOF, the undersigned has executed this written consent effective as of October 29, 2020.



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Eli Spevak, Sole Director

**EXHIBIT A  
TO  
WRITTEN CONSENT OF BOARD OF DIRECTORS  
IN LIEU OF ORGANIZATIONAL MEETING**

Articles of Incorporation



Secretary of State  
Corporation Division  
255 Capitol Street NE, Suite 151  
Salem, OR 97310-1327

Phone: (503) 986-2200  
FAX: (503) 378-4381  
sos.oregon.gov/business

**REGISTRY NUMBER: 169765493**  
**TYPE: DOMESTIC NONPROFIT CORPORATION**

**Next Renewal Date: 7/22/2021**

RWPA SERVICE COMPANY, LLC  
111 SW COLUMBIA ST  
SUITE 700  
PORTLAND, OR 97201

### Acknowledgment Letter

The document you submitted was recorded as shown below. Please review and verify the information listed for accuracy.

<b>DOCUMENT</b>	<b>FILED ON</b>	<b>STATUS</b>
ARTICLES OF INCORPORATION	7/22/2020	ACTIVE

**NAME**  
CULLY GREEN CONDOMINIUM OWNERS' ASSOCIATION

**JURISDICTION**  
OREGON

**NONPROFIT TYPE**  
MUTUAL BENEFIT WITH MEMBERS

**REGISTERED AGENT**  
ELI SPEVAK  
4751 NE GOING ST  
PORTLAND, OR 97218

**MAILING ADDRESS**  
RWPA SERVICE COMPANY, LLC  
111 SW COLUMBIA ST  
SUITE 700  
PORTLAND, OR 97201

CORTAN  
ACK - NEWINC  
07/22/2020





169765493-21281154

CULLY GREEN CONDOMINIUM...

NEWINC

**ARTICLES OF INCORPORATION  
OF  
CULLY GREEN CONDOMINIUM OWNERS' ASSOCIATION**

In compliance with the requirements of Chapter 65, Oregon Revised Statutes (the "Act"), the undersigned incorporator, a natural person over 18 years of age, does hereby form a corporation not for profit and does hereby certify:

**ARTICLE I  
NAME**

The name of the corporation is Cully Green Condominium Owners' Association (the "Association").

**ARTICLE II  
NATURE OF CORPORATION**

The Association is a mutual benefit corporation.

**ARTICLE III  
REGISTERED OFFICE**

The initial registered office of the Association is located at 4751 NE Going St., Portland, Oregon 97218.

**ARTICLE IV  
REGISTERED AGENT**

Eli Spevak, whose address is 4751 NE Going St., Portland, Oregon 97218, is hereby appointed the initial registered agent of the Association. The registered office of the Association is located at the address given in the preceding sentence. The alternate corporate mailing address required by Section 65.047(1)(e) of the Act is c/o RWPA Service Company, 111 SW Columbia St., Suite 700, Portland, OR 97201.

**ARTICLE V  
PURPOSE AND POWERS OF THE ASSOCIATION**

The Association does not contemplate pecuniary gain or profit to the members thereof and shall exist exclusively for non-profit purposes. No part of the net earnings of the Association shall inure to the benefit of any private member or members or any individual.

The Association shall have the powers set forth in that certain Declaration of Condominium Ownership for Cully Green Condominium, which has been or will be recorded in the Office of County Recorder of Multnomah County, Oregon (the "Declaration"), and in the Bylaws of the Association (the "Bylaws"), as each may be amended from time to time.

ARTICLE VI:  
MEMBERSHIP

The Association shall have members. Every person or entity who is an Owner of a Unit (as those terms are defined in the Declaration) in Cully Green Condominium (the "Condominiums") shall be a member of the Association on the terms and conditions set forth in the Declaration and Bylaws.

ARTICLE VII  
BOARD OF DIRECTORS

The names of the person who is to act in the capacity of Director until the selection of his successor in accordance with the Bylaws, who has consented to serve in such capacity, is Eli Spevak.

ARTICLE VIII  
DISSOLUTION

Subject to any contrary provisions of the Act, the Association may be dissolved with the assent given in writing and signed by not less than the Owners of 75 percent of the voting power of the Association and of Declarant for so long as Declarant owns one or more of the Units (as that term is defined in the Declaration). Upon dissolution of the Association, it shall automatically be succeeded by an unincorporated association of the same name. All of the assets, property, powers, and obligations of the Association existing prior to dissolution shall thereupon automatically vest in the successor unincorporated association.

ARTICLE IX  
DURATION

The Association shall exist perpetually.

ARTICLE X  
LIABILITY OF DIRECTORS

To the fullest extent authorized by law and Section 3.12 of the Bylaws, the personal liability of each Director to the Association or its Owners for monetary damages for conduct as a Director shall be eliminated.

ARTICLE XI  
INDEMNIFICATION

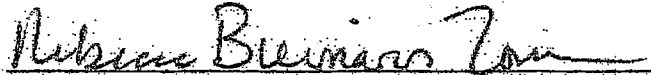
To the fullest extent authorized by law, the Board, acting on behalf of the Association, may indemnify or advance costs of defense, or commit the Association to indemnify or advance costs of defense in the future, to any person who is made or threatened to be made a party to an action, suit, or proceeding, whether civil, criminal, administrative, investigative, or otherwise

(including an action, suit, or proceeding by or in the right of the Association), by reason of the fact that the person is or was a Director, officer, employee, or agent of the Association, or serves or served at the request of the Association as a Director, officer, partner, trustee, member, manager, agent or employee of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, or other enterprise. In exercising the authority granted by this Article XI, the Board may choose, on the Association's behalf, to utilize the procedures provided in the Act, prescribe other approval processes, or eliminate any procedures for specific findings or further approval in the individual matter. This Article XI shall not be deemed exclusive of any other provision for indemnification of Directors, officers, fiduciaries, employees, or agents that may be included in any statute, Bylaw, resolution of Owners or Directors, agreement, or otherwise, either as to action in any official capacity or action in another capacity while holding office.

ARTICLE XII  
AMENDMENTS

Amendment of these Articles shall require the assent of the Owners of at least 75 percent of the voting power of the Association and of Declarant so long as Declarant owns one or more of the Units. Notwithstanding the foregoing, any provisions contained in both these Articles and the Bylaws may be amended only in the manner provided for in the Bylaws.

IN WITNESS WHEREOF, for the purpose of forming the Association under the laws of the State of Oregon, I, the undersigned, constituting the incorporator of the Association, have executed these Articles of Incorporation this 17<sup>th</sup> day of July, 2020, and declare that the foregoing Articles of Incorporation, to the best of my knowledge and belief, are true, correct and complete. The incorporator's address is 111 SW Columbia, Suite 700, Portland, OR 97201.



Name: Rebecca Biermann Tom  
Address: 111 SW Columbia, Suite 700  
Portland, OR 97201

**EXHIBIT B  
TO  
WRITTEN CONSENT OF BOARD OF DIRECTORS  
IN LIEU OF ORGANIZATIONAL MEETING**

Bylaws

**BYLAWS  
OF  
CULLY GREEN CONDOMINIUM OWNERS' ASSOCIATION**

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**BYLAWS**  
**OF**  
**CULLY GREEN CONDOMINIUM OWNERS' ASSOCIATION**

1. GENERAL PROVISIONS.

1.1 Identity. Cully Green Condominium Owners' Association, a nonprofit corporation organized under the laws of the State of Oregon, the Articles of Incorporation of which were filed in the Office of the Oregon Corporation Commissioner (the "Association"), has been organized for the purpose of administering the operation and management of Cully Green Condominium (the "Condominium"), in accordance with the terms of these Bylaws. The Condominium was established by Cully Green LLC, an Oregon limited liability company (the "Declarant"), in accordance with the provisions of ORS Chapter 100 (the "Act"). The Condominium is located upon property in Multnomah County, Oregon, as more particularly described in the Declaration of Condominium Ownership for Cully Green Condominium (the "Declaration"), which is being recorded simultaneously herewith in the records of Multnomah County, Oregon.

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

1.3 Defined Terms. All defined terms used in these Bylaws and not specifically defined herein shall have the meaning given such terms in the Declaration.

1.4 Applicability. All Owners; tenants and occupants of any Unit; and their respective agents, invitees, licensees, and employees that use the Condominium, or any part thereof, are subject to these Bylaws, and all rules and regulations thereunder as promulgated from time to time.

1.5 Office. The office of the Association shall be at 4751 NE Going St., Portland, OR 97218 or at any other place within Portland, Oregon designated by the Association.

2. PARTICIPATION AND DECISION-MAKING

2.1 Consensus. Consensus is the primary method of decision-making at all levels of Association governance, except where otherwise required by the Declaration, these Bylaws, the Articles or the Act. Using consensus, each member may agree with the matter, disagree with the matter but not block passage, or disagree with the matter and block consensus. If agreed to by consensus at an Association meeting, decision making can be delegated to a committee or an individual. Members of the Association or the Board physically present or present via telephone at a meeting may participate in consensus polling during the course of such meeting. If consensus on a particular issue is not reached at two consecutive meetings, Section 3.7.2 shall govern. The Board of Directors may adopt Rules and Regulations pursuant to Section 8.23 below to further define how consensus decision-making will be conducted. The Board may also arrange for and require Members to participate in orientation trainings on the consensus decision-making process. Where the Declaration, these Bylaws, the Articles or the Act call for a

vote on a particular issue, the process of moving from consensus to voting and the method for determining the applicable voting percentage are described in Section 3.7 of these Bylaws.

2.2 Responsibility of Membership. Each member of the Association shall be responsible for participating in the administration and management of the Association and in the maintenance of the Condominium social fabric and Common Elements. Such roles might include service on the Board, landscape maintenance, coordination or performance of work to maintain General Common Elements in good condition, planning social functions, or other functions as determined by the Board from time to time. Unless otherwise decided by the Board, the amount of time expected by the Owner(s) of a Living Unit with two or more adults will be greater than the time expected of a one adult household. An average of three to four hours per adult per month is a reasonable expectation for successful self-management of the Association. The Board is empowered to create additional policies regarding participation or to provide an option for payment in lieu of participation.

### 3. MEETINGS OF OWNERS.

3.1 Administrative Control. Notwithstanding any other provisions of these Bylaws, until the Turnover Meeting, the Declarant shall have the powers and authorities reserved to the Declarant in Section 19 of the Declaration.

3.2 Turnover Meeting. The Turnover Meeting, which shall constitute the initial meeting of the Association, shall be called by the Declarant within 90 days of the expiration of the period of Declarant's administrative control described in Section 19 of the Declaration. The Declarant shall give notice (as provided in Section 3.6) of the Turnover Meeting to each Owner at least 10 but not more than 50 days prior to the meeting. The notice shall state the purpose, time, and place of the meeting. If the meeting is not called by the Declarant, the meeting may be called and notice given by any Owner or by any first Mortgagee of a Unit. At the Turnover Meeting, the Declarant shall relinquish control of the administration of the Association to the Owners and the latter shall assume control; the Owners shall elect a board of directors as set forth in these Bylaws; and the Declarant shall deliver to the Association the items specified in Section 100.210(5) of the Act. During the three-month period following the Turnover Meeting, the Declarant or an informed representative thereof shall be available to meet with the Board on at least three mutually acceptable dates to review the documents delivered pursuant to Section 100.210(5)(3) of the Act. If the Declarant has complied with the terms of Section 100.210 of the Act, then, unless the Declarant otherwise has sufficient voting rights as an Owner to control the Association, the Declarant shall not be responsible for the failure of the Owners to comply with the provisions of Section 100.210(4) of the Act, and the Declarant shall be relieved of any further responsibility for the administration of the Association except as an Owner for any unsold Unit.

3.3 Annual Meetings. In the twelfth month following the month in which the Turnover Meeting is held, an annual meeting of Owners shall be held. Thereafter, annual meetings shall be held in the same month as such annual meeting or in the month following, at such hour and on such date as the Chairperson of the Board of Directors (the "Chairperson") may designate or, if the Chairperson fails to designate such date by the last day of the first month in which the meeting may be held, the meeting shall be held on the second Wednesday of the second month in which the meeting may be held, unless such date shall be a legal holiday, in which event the meeting shall be held on the next succeeding business day. At such meetings, the Owners shall elect Directors to fill vacancies or to succeed retiring Directors as provided in

Article 3 of these Bylaws and shall also transact such other business of the Association as may properly come before the meeting.

3.4 Place of Meetings. Meetings of the Owners shall be held at the principal office of the Association or at such other suitable and convenient place within the City of Portland, Oregon, as may be designated by the Board.

3.5 Special Meetings. At any annual meeting, the Association may decide to hold regular meetings of the Association more frequently than on an annual basis. It shall be the duty of the Chairperson or Secretary of the Association ("Secretary") to call a special meeting of the Association if so directed by a majority of the Board or upon a petition signed and presented to the Secretary by the Owners of not less than 15 percent of the Living Units stating the purpose of the meeting, including the regular meetings on the schedule elected by the Association members at an annual meeting. In addition, the Chairperson may elect to call a special meeting without being directed to do so by the Board or Owners. The notice of any special meeting shall state the purpose, time, and place of such meeting as well as the items on the meeting agenda, including, without limitation, the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes or any proposal to remove a Director or Officer. No business shall be transacted at a special meeting except as stated in the notice.

3.6 Notice. The Chairperson or Secretary shall give written notice of each meeting of the Association, at least 10 days but not more than 50 days prior to the date set for such meeting, stating the purpose, time, and place of the meeting and the items on the agenda (including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes or proposal to remove a director or officer of the Association), to each Owner of record (and to any first Mortgagee of record requesting such notice), at the address or email address of such Owner as listed on the books of the Association, or at such other address or email address as such Owner shall have designated by notice in writing to the Chairperson or Secretary at least 10 days prior to the giving of such notice by the Chairperson or Secretary. The giving of a notice in the manner provided in these Bylaws shall be considered notice properly served. Proof of the giving of such notice, whether by mail, email or personal delivery, shall be given by the affidavit of the person giving the notice. For a period of 10 years following recording of the Declaration, notices of meetings shall also be given to Declarant in the same manner as given to Owners, and Declarant or a representative of Declarant shall be entitled to attend such meetings. Notice of a meeting may be waived by any Owner before or after a meeting. When a meeting is adjourned for less than 30 days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

### 3.7 Voting.

3.7.1 The total number of votes of all Owners shall be equal to the total number of Living Units in the Condominium, and each Owner shall be entitled, subject to the provisions of Section 19 of the Declaration (which grants Declarant two times the votes for each Living Unit owned by it prior to the expiration of Declarant's administrative control described in Section 19 of the Declaration) and to Section 3.1 of these Bylaws regarding the election of Directors, to a number of votes equal to the number of votes allocated to the Living Units owned by such Owner. The Declarant shall be entitled to vote as the Owner of any Living Units retained by the Declarant, and the Board shall be entitled to vote on behalf of any Unit which has

been acquired by or on behalf of the Association; *provided, however*, that the Board shall not be entitled to vote such Units in any election of Directors.

3.7.2 In situations where consensus decision-making applies pursuant to Section 2.1 (i.e., where a different percentage is not required by the Act, these Bylaws, the Articles or the Declaration) and consensus cannot be reached on an issue after two meetings at which an issue has been discussed and at which formal consensus was attempted on that issue, a third meeting may be called and voting may be used. A decision to hold a third meeting and to shift from consensus to voting shall require an affirmative vote of 50 percent of the voting power present at the second meeting. A decision on such issue at the third meeting shall require an affirmative vote of 67 percent of the voting power present for the vote, or such other percentage required by the Act, these Bylaws, the Articles or the Declaration for the particular issue up for a vote. For example, amendments to the Bylaws must be approved by the applicable percentage of votes specified in Section 11.2 and amendments to the Declaration must be approved in the manner provided in Section 23 of the Declaration. Living Units owned by the Association do not vote and do not count in determining a quorum.

3.7.3 If an Owner is in default under a first Mortgage on its Living Unit for 60 consecutive days or more and the Mortgage instrument signed by the Owner provides for such a pledge upon default, the Mortgagee shall automatically be authorized to declare at any time thereafter that the Living Unit Owner has pledged his or her vote on all issues to the Mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, or in the event the record Owner or Owners have otherwise pledged their vote regarding special matters to a Mortgagee under a duly recorded Mortgage, only the vote of such Mortgagee or vendor will be recognized in regard to the special matters upon which the vote is so pledged, if a copy of the instrument with this pledge has been filed with the Board. Amendments to this Section shall only be effective upon the written consent of all the voting Owners and their respective Mortgagees, if any. Minors and persons declared legally incompetent shall be eligible for membership in the Association, if otherwise qualified, but shall not be permitted to vote except through a legally appointed, qualified, and acting guardian of their estate voting on their behalf, or, in the case of a minor with no legal guardian of the minor's estate, through a parent having custody of the minor.

3.8 Absentee Ballots, Proxies and Other Methods of Voting. A vote may be cast in person, by absentee ballot in compliance with ORS 100.422 (3), by written ballot in lieu of a meeting in accordance with ORS 100.425, by proxy, or by any other method specified by the Declaration, these Bylaws or the Act, including electronic ballot. A proxy given by an Owner to any person who represents such Owner at meetings of the Association shall be in writing, signed and dated by such Owner, may be given to any person or persons of legal age, and shall be filed with the Secretary. A proxy shall terminate one year after its date (or earlier, if specified in the proxy), and every proxy shall automatically cease upon sale of a Living Unit by its Owner. Proxies must meet the requirements of ORS 100.427 (2) to be valid. An Owner may revoke such Owner's proxy only as provided in ORS 100.427. An Owner may pledge or assign such Owner's voting rights to a Mortgagee. In such case, the Mortgagee or its designated representative shall be entitled to receive all notices to which the Owner is entitled hereunder and to exercise the Owner's voting rights from and after the date 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.

3.9 Fiduciary, Corporate and Joint Owners. An executor, administrator, conservator, guardian or trustee may vote, in person or by proxy, at any meeting of the Owners with respect to any Living Unit owned or held by him in such capacity, whether or not the same shall have been transferred to his or her name; provided, however, that he or she shall satisfy the Secretary that he or she is the executor, administrator, conservator, guardian or trustee holding such Living Unit in such capacity. Any person voting on behalf of a Living Unit owned by a corporation or other entity shall provide the Secretary with written evidence, satisfactory to the Secretary, that such person is the duly constituted representative thereof. Unless a valid court order establishes the authority of a co-Owner to vote, whenever any Living Unit is owned by two or more persons jointly, according to the records of the Association, the vote of such Living Unit may be exercised by any of the Owners then present, in the absence of protest by a co-Owner. In the event of disagreement among the co-Owners present, the vote of such Living Unit shall be divided equally among the number of Owners of such Living Unit present into fractional votes to be exercised by each such Owner present.

3.10 Quorum. At any meeting of the Association, the presence, in person or by proxy, of a number of Owners holding 51 percent or more of the voting power of the Association shall constitute a quorum. The subsequent joinder of an Owner in the action taken at a meeting, evidenced by that Owner 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, it cannot be broken by the subsequent withdrawal of an Owner or Owners. If any meeting of the Association cannot be organized because of lack of a quorum, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present; provided, however, that a quorum shall not be necessary to proceed with and hold a binding Turnover Meeting; and provided, however, that a quorum for purposes of a meeting following a meeting adjourned for lack of a quorum shall be the greater of one-half (1/2) of the quorum specified in this Section 3.10 or 20 percent of the voting power of the Association. The quorum requirement is not reduced as set forth in the immediately preceding sentence unless (i) the meeting is adjourned to a date at least 48 hours from the date of the original meeting or (ii) the meeting notice specifies the quorum requirement will be reduced if the meeting cannot be organized because of a lack of a quorum and the meeting notice specifies the reduced quorum requirement.

3.11 Binding Vote. Except where a lower or higher percentage vote is required by the Act, the Declaration, the Articles or these Bylaws, the vote of more than 67 percent of the voting power present (whether in person or by proxy) at a meeting at which a quorum is constituted shall be binding upon all Owners for all purposes.

3.12 Order of Business. Unless otherwise agreed by the Board, the order of business at an annual meeting of the Association shall be:

3.12.1 Calling of the roll and certifying of proxies;

3.12.2 Proof of notice of meeting or waiver of notice;

3.12.3 Reading of minutes of preceding meeting;

- 3.12.4 Reports of officers;
- 3.12.5 Reports of committees, if any;
- 3.12.6 Election of directors;
- 3.12.7 Unfinished business;
- 3.12.8 New business; and
- 3.12.9 Adjournment.

3.13 Rules of Order. Unless other rules of order are adopted by resolution of the Association, all meetings of the Association shall be conducted according to the latest edition of *Building United Judgment: A Handbook for Consensus Decision Making* (1981), Michel Avery, *et al.* as reprinted by the Fellowship for Intentional Community.

4. BOARD OF DIRECTORS.

4.1 Number, Term and Qualification. The affairs of the Association shall be governed by the Board of Directors, which shall consist of from one to three persons prior to the Turnover Meeting and five or seven persons after the Turnover Meeting. Until the Turnover Meeting (as provided for in Section 3.2 of these Bylaws) shall have been held, the Board of Directors shall consist of the Director or Directors named in the Articles of Incorporation of the Association, subject to the appointment and removal powers of the Declarant described in Section 19 of the Declaration. At the Turnover Meeting, five or seven Directors (depending on how many people are nominated for Director at such meeting) shall be elected by the Owners to serve until the first annual meeting of the Association. The majority of the Directors elected at the first annual meeting of the Association shall serve for terms of two years and the remainder of the initial Directors shall serve for terms of one year. At the expiration of the initial term of office of each Director elected at the first annual meeting of the Association, his or her successor shall be elected as provided in this Section 4.1 to serve for a term of two years. The Directors shall hold office for the term herein fixed and until their successors have been qualified and elected. There shall be no limit on the number of successive terms a Director may serve on the Board of Directors, if elected as herein provided. After the Turnover Meeting, all Directors shall be Owners and no Director shall continue to serve on the Board of Directors after he or she ceases to be an Owner. For purposes of this Section 4.1, an officer, employee or agent of any corporation, the trustee of any trust who holds title in trust for the benefit of the owner of the beneficial interest in the unit, a partner, employee or agent of any partnership, or a member, manager, employee or agent of any limited liability company that owns a Living Unit, or an executor, administrator, guardian, conservator, or other individual appointed by a court to serve in a fiduciary capacity for an owner of a Living Unit shall be considered co-owners of any such Living Unit.

4.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts in furtherance of and pursuant to such powers and duties, except acts that by or under law, the Declaration or these Bylaws may not be performed by the Board of Directors or delegated to the Board of Directors by the Owners. The Board of Directors shall be governed by ORS 100.417

and applicable provisions of ORS 65.357, 65.361, 65.367, 65.369 and 65.377. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

4.2.1 Operation, care, inspection, upkeep, repair, replacement and maintenance of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement.

4.2.2 Determination of the amounts required for operation, inspection, maintenance and other affairs of the Association, and the making of such expenditures.

4.2.3 Annually conducting a reserve study, or review and update any existing study, of the Common Elements to determine the reserve fund requirements, in accordance with ORS 100.175(4). The Board of Directors shall, within 30 days after conducting the reserve study, provide to every Owner and the Declarant a written summary of the reserve study and of any revisions to the Maintenance Plan (defined in Section 4.2.21 below) adopted by the Board of Directors as a result of the reserve study.

4.2.4 Collection of the common expenses from the Owners.

4.2.5 Provision for the designation, hiring and removal of employees and other personnel, including lawyers and accountants and personnel necessary for the maintenance, inspection, upkeep and repair of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement; engagement of or contracting for the services of others; and making purchases for the inspection, maintenance, repair, replacement, administration, management and operation of the Condominium in accordance with Section 9 of these Bylaws; provided, however, that any management agreement, service contract, or employee contract entered into before the Turnover Meeting shall not be in excess of three years, and shall be terminable by the Association without penalty upon not less than 30 days written notice to the other party given within 60 days after the Turnover Meeting; and *provided further*, that any agreement for management services entered into after the Turnover Meeting on behalf of the Association must be terminable by the Association for cause upon not more than 30 days' notice, must have a reasonable term not exceeding three (3) years, and must be renewable with the consent of the Board of Directors and the property manager. The Board may elect not to hire a property manager and to manage the Condominium itself; provided that if a first. Mortgagee had previously required professional management, the Board of Directors may not terminate professional management and assume self-management unless the decision to do so is approved by at least 67 percent of the total voting power of the Association, and approved by Mortgagees holding Mortgages on Units which have at least 51 percent of the voting rights of the Units subject to Mortgage Mortgages.

4.2.6 Adoption and amendment of reasonable rules and regulations of the Condominium ("Rules and Regulations") pursuant to Section 8.23 hereof.

4.2.7 Maintaining bank accounts on behalf of the Association and designating the signatories required therefor, subject to the requirements of ORS 100.480.

4.2.8 Purchasing, leasing or otherwise acquiring, in the name of the Association or its designee, corporate or otherwise, on behalf of the Owners, Units offered for sale or lease or surrendered by their Owners to the Association.

4.2.9 Bidding for and purchasing Units at foreclosure sales (judicial or non-judicial) or other judicial or execution sales, in the name of the Association or its designee, corporate or otherwise, on behalf of all Owners upon the consent or approval of the Owners.

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

4.2.11 Organizing corporations or limited liability companies to act as designees of the Association in acquiring title to or leasing Units by the Association on behalf of all Owners.

4.2.12 Obtaining and reviewing bonds and insurance, including officers' and directors' liability insurance, for the Association and the Condominium, including the Units, pursuant to the provisions of these Bylaws and in the case of such insurance, reviewing it at least annually.

4.2.13 Making repairs, additions and improvements to, or alterations of, the Condominium and repairs to and restoration of the Condominium in accordance with these Bylaws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or settlement under the threat thereof or to work that is urgently needed for life, safety or structural integrity reasons.

4.2.14 Making additions and improvements to, or alterations of, the Common Elements; provided, however, that no such project of a non-structural or non-capital nature may be undertaken by the Board of Directors if the total cost will exceed the amount of Five Thousand Dollars (\$5,000), unless approved by the Owners. This limitation shall not be applicable to repairs or maintenance undertaken pursuant to Section 4.2.1.

4.2.15 After giving written notice and an opportunity to be heard, levying reasonable fees, late charges, fines and/or interest against the Owners for violations of the Declaration, Bylaws, and/or Rules and Regulations, in addition to exercising any other rights or remedies provided for in the foregoing documents, based on a resolution of the Board of Directors that is delivered to each Unit, mailed to the mailing addresses designated in writing by the Owners, or mailed to the mailing address for each Unit.

4.2.16 Borrowing money on behalf of the Association with the consent of the Owners, provided, however, that no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Owner of such Unit. If any sum borrowed by the Board of Directors on behalf of the Association pursuant to the authority contained in this Section 4.2.16 is not repaid by the Association, an Owner who pays to the creditor such proportion thereof equal to his or her interest in the Common Elements shall be entitled to obtain from the creditor a release of any



judgment or other lien which said creditor shall have filed or shall have the right to file against such Owner's Unit.

4.2.17 Adjusting and settling claims under insurance policies and executing and delivering releases on settlement of such claims on behalf of all Owners, all holders of Mortgages or other liens on the Units, and all Owners of any other interest in the Condominium.

4.2.18 Filing all appropriate income tax returns.

4.2.19 Filing of the Annual Report described in Section 100.260 of the Act with the Real Estate Agency pursuant to Section 100.250 of the Act.

4.2.20 Enforcement by legal means of the provisions of the Act, the Declaration, these Bylaws and any Rules and Regulations adopted hereunder. Nothing in these Bylaws shall be construed as requiring the Association to take any specific action to enforce violations.

4.2.21 Establish, periodically update, and implement a 30-year maintenance plan ("Maintenance Plan") that identifies those components of the Common Elements, Association Property and any other property for which the Association is responsible for maintenance, repair or replacement requiring periodic maintenance, including information regarding warranties, the useful life of the Common Elements and a maintenance manual defining how and when such maintenance should be performed and setting forth the estimated cost of such maintenance, repair or replacement. The Maintenance Plan shall be appropriate for the size and complexity of the Common Elements. For a period of 10 years following recording of the Declaration, Declarant shall be notified by the Board prior to the inspections, shall have a right for Declarant or its employees or contractors to be present during the inspections and have a right to receive a copy of the inspection reports promptly upon request. The operating and reserve budgets of the Association shall take into account the costs of complying with the Maintenance Plan. Changes or updates to the Maintenance Plan should be based upon the advice of competent experts or consultants.

4.2.22 Adopt mechanisms for conflict resolution among the Board, the Association, tenants and Owners.

4.2.23 On at least a biannual basis, monitor the water, energy and trash usage of the Condominium and report the results to the Owners to provide feedback useful in reducing the consumption of those resources.

4.2.24 Adopting Rules and Regulations for the use of the Common House (including its guest rooms common kitchen and storage rooms) and other common facilities, including the adoption of policies, rental rates, fees and terms for rentals and charging and collecting such rental fees.

4.2.25 Limitation. The powers of the Board of Directors enumerated in these Bylaws shall be limited in that the Board of Directors shall have no authority to (i) make any single expenditure exceeding 10 percent of the estimated total budget of the Association for

such calendar year, or (ii) enter into agreements having a term in excess of two years, except agreements specifically authorized in these Bylaws, without, in each case, the prior approval of the Owners.

4.3 Organizational Meeting. Within 30 days following the annual meeting of the Association or following any meeting at which an election of Directors has been held, the Board of Directors shall hold an organizational meeting at such place and time as shall have been fixed by the Directors at the meeting at which the election was held.

4.4 Regular and Special 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. Special meetings of the Board of Directors may be called by the Chairperson and must be called by the Secretary at the written request of at least two Directors. Notice of regular meetings and any special meeting shall be given to each Director, personally or by mail, telephone or email at least two days prior to the day named for such meeting, and shall state the time, place and purpose of such meeting. For a period of 10 years following recording of the Declaration, notices of meetings shall also be given to Declarant in the same manner as given to Directors. All meetings of the Board of Directors shall be open to the Owners except that the following matters and any other matters permitted by the Act may be considered in executive session: (a) consulting with legal counsel regarding the rights and duties of the Association in connection with existing or potential litigation, or criminal matters; (b) dealing with personnel matters, including salary negotiations and discipline; (c) negotiation of contracts with third parties; and (d) collection of unpaid assessments pursuant to the Act. Executive sessions shall be convened and conducted as provided in Section 100.420 of the Act. Except in the event of an emergency, the Board of Directors shall vote in an open meeting on whether to meet in executive session. If the Board of Directors votes to meet in executive session, the Chairperson shall announce the general nature of the action being considered and when and under what circumstances the deliberations can be disclosed to the Owners. The statement, motion, or decision to meet in executive session must be included in the minutes of the meeting. A contract or action considered in executive session does not become effective unless the Board, 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. Such meetings may be conducted by telephonic communication or by other means authorized under ORS 100.420(2), except that if a majority of the Units are principal residences of the occupants, then: (i) for other than emergency meetings, notice of each meeting of the Board of Directors shall be posted at a place or places on the Property at least three days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform the Owners of such meeting; and (ii) only emergency meetings of the Board of Directors may be conducted by telephonic communication or in a manner permitted by the Act. The meeting and notice requirements in ORS 100.420(1) may not be circumvented by chance or social meetings or by any other means, including, without limitation, e-mail communication. For purposes of this Section, "meeting" shall have the definition provided in Section 100.420(5) of the Act.

4.5 Waiver of Notice. Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board of Directors shall constitute a waiver of notice of the time and place thereof, except where a Director attends the meeting for the sole purpose of objecting to the

transaction of any business because the meeting is not lawfully called or convened. If all the members of the Board of Directors are present at any meeting of the Board of Directors, however, no notice to Directors shall be required and any business may be transacted at such meeting.

4.6 Quorum. At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and, if the Board is using voting after consensus was not reached, the votes of 67 percent of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the act of the Board of Directors, unless a different percentage is required by the Act or the Oregon Nonprofit Corporations Act. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is present. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

4.7 Removal. At any regular or special meeting of the Owners, any one or more of the members of the Board of Directors elected by the Owners may be removed with or without cause, but only by approval of at least 67 percent of the Owners notwithstanding the quorum provisions of Section 3.10, and a successor may then and there or thereafter be elected to fill the vacancy thus created in the manner set forth in Section 4.1. The notice of any such meeting shall state that such removal is to be considered, and any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

4.8 Resignation. Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, addressed to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary.

4.9 Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a member pursuant to Section 4.8 shall, in the case of a vacancy relating to a Director elected by the Owners, be filled by vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum. Each person so elected or appointed shall be a member of the Board of Directors for the remainder of the term of the member whose position was vacated or until a successor shall be elected at a special meeting or at the next annual meeting of the Owners.

4.10 Compensation. No Director shall receive any compensation from the Association for acting in such capacity, but shall be reimbursed for his or her reasonable out-of-pocket expenses.

4.11 Liability and Indemnification of Directors, Officers, Manager or Managing Agent. To the fullest extent authorized by law and the Articles, the personal liability of each Director to the Association or its Owners for monetary damages for conduct as a Director shall be eliminated. Each Director and officer and the manager or managing agent, if any, shall be indemnified and held harmless by the Association, to the fullest extent permitted by law, from and against all expenses and liabilities, including attorneys' fees, reasonably incurred or imposed upon such person in connection with any proceeding to which he or she may be a party, or in

which he or she may become involved, by reason of being or having been a Director, officer, manager or managing agent and shall be indemnified upon any reasonable settlement thereof. The foregoing rights of indemnification shall be in addition to and not exclusive of any and all other rights conferred on such persons under any agreement, vote of the Owners or otherwise.

4.12 Insurance. The Board of Directors shall comply with the insurance requirements contained in Article 10 of these Bylaws. In addition, the Board of Directors, in its discretion, may obtain such other insurance as it deems necessary to protect the interests of the Association, the Board of Directors or the Owners.

4.13 Standing or Special Committees. The Board of Directors by resolution may designate one or more committees, each committee to consist of three or more Owners that, to the extent provided in such resolution, shall have and may exercise the powers set forth in such resolution. Such committee or committees shall have such name or names as may be determined from time to time by the Board of Directors. Committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required and to the Owners on a regular basis. The members of such committee or committees designated shall be appointed by the Board of Directors or the Chairperson. The Board of Directors, the Chairperson or the Owners may appoint Owners to fill vacancies on each of any committees occasioned by death, resignation, removal, or inability to act for any extended period of time.

4.14 Voting. Decision making by the Board of Directors shall be by consensus with fall back to voting as described in Sections 2.1 and 3.8 of these Bylaws. A Director who is present at a meeting of the Board of Directors at which action is taken on any Association matter is presumed to have assented to the action unless the Director states a position of blocking consensus or votes against the action or abstains from consensus or voting on the action because the Director claims a conflict of interest. When action is taken on any matter at a meeting of the Board of Directors, the standing aside or block of consensus or the vote or abstention of each Director must be recorded in the minutes of the meeting. Directors may not vote by proxy or by secret ballot at meetings of the Board of Directors. If requested in writing by 33 percent of the Owners, a specific action by the Board shall be referred to the Association at large for consensus or a vote.

4.15 Rules of Order. Unless other rules of order are adopted by resolution of the Association, all meetings of the Board shall be conducted according to the latest edition of *Building United Judgment: A Handbook for Consensus Decision Making* (1981) Michel Avery, *et al.* as reprinted by the Fellowship for Intentional Community.

## 5. OFFICERS.

5.1 Designation. The principal officers of the Association shall be the Chairperson, the Secretary and a treasurer (the "Treasurer"), all of whom shall be elected by the Board of Directors. The Board of Directors may appoint a vice Chairperson (the "Vice Chairperson"), an assistant treasurer (an "Assistant Treasurer"), an assistant secretary (an "Assistant Secretary") and such other officers as in its judgment may be desirable. None of the officers need be Owners until the Board of Directors is elected by the Owners at the Turnover Meeting. Thereafter, all officers shall be Owners (or officers, directors, shareholders, partners, employees or beneficiaries, or members of the respective families, of Units owned by corporations, partnerships, fiduciaries or Mortgagees).

5.2 Election. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors and until their successors are elected and qualified. If any office shall become vacant, the Board of Directors or the Association shall elect a successor to fill the unexpired term at any regular or special meeting of the Board of Directors, or at any regular or special meeting of the Association called for such purpose. In the event the Board and Association disagree as to whom is elected to the officer positions, the Association's choice shall prevail.

5.3 Removal. Upon the affirmative vote of 67 percent of the Board of Directors (unless a different percentage is required by the Act or the Oregon Nonprofit Corporations Act), any officer may be removed, either with or without cause, and his or her 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.

5.4 Chairperson. The Chairperson shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Owners and of the Board of Directors. He or she shall have all of the general powers and duties that are usually incident to the office of the chief executive officer of an association, including, but not limited to, the power to appoint committees from among the Owners from time to time as he or she may in his or her discretion decide are appropriate to assist in the conduct of the affairs of the Association.

5.5 Vice Chairperson. The Vice Chairperson shall take the place of the Chairperson and perform his or her duties whenever the Chairperson shall be absent or unable to act. If neither the Chairperson nor the Vice Chairperson is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the Chairperson on an interim basis. The Vice Chairperson shall also perform such other duties as shall from time to time be prescribed by the Board of Directors or by the Chairperson.

5.6 Secretary. The Secretary shall keep the minutes of all proceedings of the Board of Directors and the minutes of all meetings of the Association. He or she shall attend to the giving and serving of all notices to the Owners and Directors and other notices required by law. He or she shall keep the records of the Association, except for those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the Directors or the Chairperson. In addition, the Secretary shall act as Vice Chairperson, taking the place of the Vice Chairperson and performing his or her duties whenever the Vice Chairperson is absent or unable to act, unless the Directors have appointed another Vice Chairperson.

5.7 Treasurer. The Treasurer shall be responsible for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements necessary for the preparation of all required financial data. He or she shall be responsible for the deposit of all funds and other valuable effects in such depositories as may from time to time be designated by the Board of Directors, and he or she shall disburse funds of the Association upon properly authorized vouchers. He or she shall in general perform all other duties incident to the office of Treasurer of an association and such other duties as may be assigned to him by the Board of Directors.

5.8 Execution of Instruments. All agreements, contracts, deeds, leases and other instruments of the Association, shall be executed by such person or persons as may be

designated by general or special resolution of the Board of Directors. All checks in excess of Three Thousand Dollars (\$3,000) shall be signed by the Treasurer, or in his or her absence or disability, by the Chairperson or any duly elected Assistant Treasurer. Notwithstanding the foregoing, all checks in excess of Three Thousand Dollars (\$3,000) shall require the signatures of at least two authorized signatories.

5.9 Compensation of Officers. No officer who is a member of the Board of Directors shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the Owners.

## 6. BUDGET, EXPENSES AND ASSESSMENTS.

6.1 Budget. The Board of Directors shall from time to time, at least annually, prepare a budget for the Association, estimate the common expenses expected to be incurred, less any previous overassessment, and assess the common expenses to each Owner in the manner set forth in the Declaration. The budget shall provide for an adequate reserve fund for major maintenance, repairs and replacement of those Common Elements, Association Property and any other property for which the Association is responsible that must be maintained, repaired or replaced on a periodic basis by the Association in accordance with Section 6.2 of these Bylaws. The Board of Directors shall advise each Owner in writing of the amount of common expenses payable by him or her, and furnish a summary of each budget and amended budget on which such common expenses are based to all Owners and, if requested, to their Mortgagees, within 30 days after adoption of the budget. Failure to deliver a summary of any budget or amended budget to each Owner shall not affect the liability of any Owner for any such assessment. Nothing herein contained shall be construed as restricting the right of the Board of Directors to, at any time, in their sole discretion, levy any additional assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management of the Condominium, or in the event of emergencies. Any budget for the Association prepared by Declarant or during the period of Declarant's administrative control of the Association pursuant to Section 19 of the Declaration shall be based on Declarant's reserve study, but such projection may vary substantially from the actual requirements of the Association for such period. The reserve study assumes that the Board conducts normal, routine maintenance for the elements reserved for and that the Board is required to perform pursuant to this Declaration, the Bylaws and the Act. If the Board fails to perform required maintenance, the reserve fund may be inadequate at the time of the required replacement for one or more elements included in the reserve study. After the Turnover Meeting, the Board of Directors shall be responsible, in its sole discretion, for preparation of the budget of the Association and shall not rely upon prior budgets or projections prepared by Declarant. The budget shall take into account the requirements of the Maintenance Plan adopted pursuant to Section 4.2.21.

6.2 Reserve Fund for Replacing Common Elements. Declarant shall conduct a reserve study as required by the Act and shall establish in the name of the Association a reserve fund for the major maintenance, repair and replacement of Common Elements, Association Property and any other property for which the Association is responsible that will normally require replacement in more than one and fewer than 30 years and exterior painting of Common Elements, as applicable. The common expenses of the Condominium shall be calculated on the basis of expected replacement costs and life expectancy of the items comprising the Common Elements, Association Property and any other property for which the Association is responsible

that will normally require replacement in more than one and fewer than 30 years, and exterior painting of Common Elements, as applicable, such that the reserve fund is reasonably expected to provide sufficient funds for replacement of such Common Elements. Declarant in establishing the reserve fund shall obtain and rely on a reserve study in determining the amount of reserve assessments, but such projection may vary substantially from the actual requirements of the Association. Declarant may elect to defer payment of the assessments for the reserve fund with respect to a Unit until the time of conveyance of the Unit; provided that Declarant may not defer payment of such reserve assessments beyond the date of the Turnover Meeting, or, if no Turnover Meeting is held, the date the Owners assume administrative control of the Association. The reserve account need not include (a) items that reasonably could be funded from operating assessments or (b) a reserve for Limited Common Elements for which maintenance and replacement are the responsibility of one or more unit Owners under the provisions of the Declaration or these Bylaws.

The Board of Directors shall administer the reserve fund and shall adjust at regular intervals, but no less than annually, the amount of the periodic payments into it to reflect changes in current replacement costs over time. The Board of Directors shall annually conduct a reserve study or review and update an existing reserve study of the Common Elements, Association Property and any other property for which the Association is responsible to determine reserve account requirements. The reserve study shall include all information required by the Act. Following the second year after the Turnover Meeting, the Association may by an affirmative vote of at least 75 percent of the Owners elect to reduce or increase future assessments for the reserve funds. Any funds established for any of the purposes mentioned in this Section shall be deemed to be a reserve fund notwithstanding that it may not be so designated by the Board of Directors. The amount of the reserve fund shall constitute an asset of the Association and shall not be distributed to any Owner except on termination of the Condominium and the Association. The reserve fund is to be used only for replacement of the Common Elements, Association Property and any other property for which the Association is responsible that will normally require replacement in more than one and fewer than 30 years, and for the painting of exterior painted surfaces of Common Elements, as applicable, and is to be kept separate from the operating and special assessments. After the Turnover Meeting, however, the Board of Directors may borrow amounts from the reserve fund to meet high seasonal demands on funds obtained from regular assessments or to meet other unexpected increases in expenses that will later be paid from special or regular assessments, if the Board of Directors has adopted a resolution, which may be an annual continuing resolution, authorizing the borrowing of funds. Not later than the adoption of the budget for the following year, the Board shall adopt by resolution a repayment plan providing for repayment of the borrowed funds within a reasonable period. Repayment of such amounts borrowed from the reserve fund shall include any interest that would otherwise have been earned on such amounts. Assessments under this Section 6.2 shall be allocated as described in Section 7.2 of the Declaration and shall commence as described in Section 7.3 of the Declaration.

In no event may the Board approve reserve assessments for replacements of General Common Elements with materials of significantly higher cost without the written approval of the Owners of Living Units 5, 8 and 14. If the Owners of Living Units 5, 8 and 14 do not approve such a proposal, the Board may approve such replacement materials if the Board only assesses the Owners of Living Units 5, 8, and 14 the amount of reserve assessments that would have been



required to replace said General Common Elements with ones at a similar level of finish to that currently in place.

6.3 Determination of Common Expenses. Common expenses shall include:

6.3.1 Expenses of administration.

6.3.2 Cost of insurance or bonds obtained in accordance with these

Bylaws.

6.3.3 A general operating reserve, sufficient to pay the amount of the deductible on any insurance policy held by the Association under Section 10.1.1.

6.3.4 Reserve for replacements, major maintenance and repair and deferred maintenance and the cost of the reserve study, or its review and update.

6.3.5 Any deficit in common expenses for any prior period, and any accrued interest or late charges thereon.

6.3.6 The costs of establishing, updating and implementing the Maintenance Plan.

6.3.7 Utilities for the Common Elements and other utilities not separately metered or charged.

6.3.8 Services of any person or firm to act on behalf of the Owners in connection with any other matter where the respective interests of the Owners are deemed by the Board of Directors to be similar and nonadverse to each other.

6.3.9 Professional management services, landscaping, snow removal, waste removal (subject to the provisions of the Declaration relating thereto), painting, cleaning, outside window washing and inspection, maintenance, decorating, repair and replacement of the Parking Units and Common Elements for which the Association is responsible and such furnishings and equipment for the Common Elements as the Board of Directors shall determine are necessary and proper, which the Board of Directors shall have the exclusive right and duty to acquire for the Common Elements.

6.3.10 Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations or assessments that the Board of Directors is required to secure or pay for, pursuant to the terms of the Declaration or these Bylaws or that in its opinion shall be necessary or proper for the inspection, maintenance and operation of the Condominium as a first-class Condominium or for the enforcement of these restrictions, and that the Board of Directors determines should be assessed to the Owners under Section 6.4.

6.3.11 Paving, resurfacing, or restriping of parking areas, including, without limitation, the Parking Units.

6.3.12 The discharge of any mechanic's lien or other encumbrance levied against the entire Condominium or against the Common Elements or Association Property,



rather than merely against the interests therein of particular Owners. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board of Directors by reason of such lien or liens shall be specifically assessed to the responsible Owners.

6.3.13 Inspection, maintenance and repair of any Unit or Common Element if the Board of Directors determines that such inspection, maintenance or repair is necessary to protect the Common Elements or any other portion of the Property, and the Owner of such Unit (or the Owner responsible for maintenance of such Common Element, as applicable) has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of such maintenance or repair delivered by the Board of Directors to such Owner, provided that the Board of Directors shall levy a special assessment against such Owner for the cost of such maintenance or repair.

6.3.14 Expenses for shared food, social activities, trainings and conflict resolution services that have been approved by the Board or the Association.

6.3.15 Any other items properly chargeable as an expense of the Association, including, without limitation, those items described in the exhibits to the Declaration.

6.4 Assessment of Common Expenses. All Owners shall be obliged to pay on a monthly basis in advance common expenses assessed to them by the Board of Directors on behalf of the Association pursuant to these Bylaws and the Declaration, including amounts applicable to the reserve fund described in Section 6.2 of these Bylaws; provided, however, that such reserve assessments may be collected on a monthly, quarterly, or biannual basis, and at least annually, and may be assessed prospectively or in arrears. Assessments shall be allocated in accordance with Section 7.2 of the Declaration. Assessments may not be waived due to limited use or nonuse of Common Elements. Declarant shall be assessed as the Owner of any unsold Unit, but such assessment shall be prorated to the date of sale of the Unit. Assessments shall commence in accordance with Section 7.3 of the Declaration. At the time of closing of the initial and each subsequent sale of each Unit, the purchaser shall make the contribution described in Section 6.5.3 to the working capital fund. The Board of Directors, on behalf of the Association, shall assess the common expenses against the Owners from time to time, and at least annually, and shall take prompt action to collect from an Owner any common expense due that remains unpaid by him or her for more than 30 days from the due date for its payment (except as provided above for the Declarant).

#### 6.5 Special Assessments.

6.5.1 Capital Improvements. In the case of any duly authorized capital improvement to the Common Elements, the Board of Directors may by resolution establish separate assessments for the same, which may be treated as capital contributions by the Owners, and the proceeds of which shall be used only for the special capital improvements described in the resolution. In no event may the Board approve special assessments for capital replacements of General Common Elements with materials of significantly higher cost without the written approval of the Owners of Living Units 5, 8 and 14. If the Owners of Living Units 5, 8 and 14 do not approve such a proposal, the Board may approve such replacement materials in such a manner that only assesses the Owners of Living Units 5, 8 and 14 the amount that would have

been required to replace said General Common Elements with ones at a similar level of finish to that currently in place.

6.5.2 Other Reserve Trust Funds. The Board of Directors may also build up and maintain a reasonable reserve for contingencies and replacements not covered by Section 6.2 of these Bylaws. Extraordinary expenditures not originally included in the annual estimate that may become necessary during the year may also be charged against such reserve. If the estimated cash requirement proves inadequate for any reason, including nonpayment of any Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed to the Owners as provided in Section 7.2 of the Declaration. The Board of Directors shall serve notice of such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective with the first monthly assessment of common expenses that is due more than 30 days after the delivery or mailing of such notice of further assessment.

6.5.3 Working Capital Fund. Declarant shall establish in the name of the Association a working capital fund for the Association. Amounts paid into this fund shall not be considered advance payments of the monthly assessments for common expenses described in Section 6.4. At the time of closing of each sale of each Unit, the purchaser of such Unit shall make an initial contribution to the working capital fund equal to two months of Association assessments for such Unit. At or prior to the Turnover Meeting, Declarant shall transfer the amount of the working capital fund to the Association for deposit in a segregated fund and administration in accordance with Section 6.5.2. During the period of administrative control described in Section 19 of the Declaration, Declarant shall not use any funds contained in the working capital fund to defray Declarant's expenses, contributions to reserves, or construction costs, or to compensate for any deficits in the operating budget of the Condominium.

6.6 Violation by Owners; Remedies. The violation of any Rule or Regulation or other determination duly adopted by the Board of Directors, or the breach of any covenant or provision contained in the Declaration or these Bylaws, shall give the Association the right: (i) to enter upon that part of the Condominium where such violation or breach exists and summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions so violated, and the Association, or its agents, shall not thereby be deemed guilty in any manner of trespass; provided, however, that the Association must institute legal proceedings before any item of construction may be altered or demolished in remedying such violation, (ii) to enjoin, abate or remedy by appropriate legal proceedings the continuance of any breach, and (iii) after giving written notice and an opportunity to be heard, levying reasonable fees, late charges, fines and/or interest against the Owners for violations of the Declaration, Bylaws, and/or Rules and Regulations, in addition to exercising any other rights or remedies provided for in the foregoing documents, based on a resolution of the Board of Directors that is delivered to each Living Unit, mailed to the mailing addresses designated in writing by the Owners, or mailed to the mailing address for each Living Unit. Any Owner aggrieved by such a violation shall also have the right, on behalf of the Association, to enjoin, abate, or remedy by appropriate legal proceedings any such violation and to recover its expenses in accordance with Section 12.1. All expenses of the Association in connection with such violation and such action or proceedings (including any action or proceeding brought on behalf of the Association), including engineering, architectural

and other professional fees and costs, court costs and attorneys' fees and any other fees and expenses (including fees, fines, late charges and interest imposed pursuant to these Bylaws), and all damages, liquidated or otherwise, together with interest thereon at the rate provided in Section 7.5 of the Declaration until the amount outstanding is paid, shall be charged to and assessed against such defaulting Owner and shall be added to and deemed part of his or her respective share of the common expenses. The Association has a lien for all of the same upon the Units of such defaulting Owner and upon all of his or her additions and improvements thereto and upon all of his or her personal property located in such Units or elsewhere in the Condominium. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association. Any violations by an Owner of the Declaration, these Bylaws or any Rules and Regulations that are deemed by the Board of Directors to be a hazard to public health or safety may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the offending Owner as a specific item, which shall be a lien against the offending Owner's Unit or Units with the same force and effect as if the charge were a part of the normal common expenses attributable to such Unit or Units.

6.7 Liability of Owners. An Owner shall be liable for the expenses of any maintenance, repair or replacement rendered necessary by his or her act, neglect or carelessness or by that of any member of his or her family, or his or her or their guests, employees, invitees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing in these Bylaws, however, shall be construed to modify any waiver by insurance companies of rights of subrogation. The expense of any such maintenance, repair or replacement shall be charged to the responsible Owner as a specific item, which shall be a lien against such Owner's Unit or Units with the same force and effect as if the charge were a part of the normal common expenses attributable to such Owner's Unit or Units.

6.8 No Waiver. The failure of the Association or of an Owner to enforce any right, provision, covenant or condition that may be granted by any of the provisions of the Declaration, these Bylaws or any Rules or Regulations shall not constitute a waiver of the right of the Association or an Owner to enforce such right, provision, covenant or condition in the future.

6.9 Receiver. From the time of commencement of an action by the Association to foreclose a lien for nonpayment of delinquent assessments regarding a Unit that is not occupied by the Owner thereof, the Association shall be entitled to the appointment of a receiver to collect from the lessee thereof the rent for the Unit as and when due. If the rental is not paid, the receiver may obtain possession of the Unit, refurbish it for rental up to a reasonable standard for rental units in this type of Condominium, rent the Unit or permit its rental to others, and apply the rents first to the cost of the receivership and attorneys' fees thereof, then to the cost of refurbishing the Unit, then to applicable charges, then to costs, fees, and charges of the foreclosure action, and then to the payment of the delinquent assessments. Only a receiver may take possession and collect rents under this Section, and a receiver shall not be appointed less than 90 days after the delinquency. The exercise by the Association of the foregoing rights shall not affect the priority of preexisting liens on the Unit.

## 7. RECORDS AND AUDITS.

7.1 General Records. The Board of Directors and the managing agent or manager, if any, shall keep detailed records of the actions of the Board of Directors and the managing agent or manager, minutes of the meetings of the Board of Directors and minutes of the meetings of the Association and contemporaneous written documentation of the Association's inspection, operation, care, upkeep, repair, replacement and maintenance of the Common Elements and Association Property. The Board of Directors shall maintain a list of Owners entitled to vote at meetings of the Association and a list of all Mortgagees of Units, to the extent it has received such information from the Owners. The Association shall maintain within the State of Oregon a copy, suitable for duplication, of: (i) the Declaration, these Bylaws, the Rules and Regulations, the recorded plat(s) and any amendments or supplements thereto; (ii) the most recent annual financial statement of the Association described in Section 7.5 hereof; (iii) the current operating budget of the Association and reserve study; and (iv) all documents, information and records delivered to the Association at the Turnover Meeting. Such documents shall be available for inspection within the State of Oregon and upon written request, available for duplication by Owners, Mortgagees of Units, insurers and guarantors of such Mortgages, and prospective purchasers of Units during normal business hours. The Board of Directors shall retain the documents required by 100.480(1) for the time period required by such statute. Records kept by or on behalf of the Association may be withheld from examination as permitted by the Act.

7.2 Records of Receipts and Expenditures. The Board of Directors 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 expenses of the Common Elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the Owners, Mortgagees of Units, and insurers and guarantors of such Mortgages during normal business hours.

7.3 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and address of the Owner or Owners, the amount of each assessment against the Owners, the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

7.4 Payment of Vouchers. The Treasurer shall pay all vouchers up to Three Thousand Dollars (\$3,000) signed by the Chairperson, managing agent, manager or other person authorized by the Board of Directors. Any voucher in excess of Three Thousand Dollars (\$3,000) shall require the signature of the Chairperson and one other officer of the Association.

7.5 Reports and Audits. An annual financial statement of the Association, consisting of a balance sheet and income and expense statement for the preceding fiscal year, shall be rendered by the Board of Directors to all Owners, and to all Mortgagees of Units who have requested the same, within 90 days after the end of each fiscal year. If required by ORS 100.480, the Board shall have the financial statement reviewed by an independent certified public accountant licensed in the State of Oregon in accordance with the requirements of ORS 100.480(4) within 180 days after the end of the fiscal year. Pursuant to ORS 100.480(6), the Association may elect on an annual basis not to comply with ORS 100.480(4) by an affirmative vote of at least 60 percent of the Owners, not including the votes of the Declarant

with respect to Living Units owned by the Declarant. Upon written request, any holder, insurer or guarantor of a first Mortgage shall be entitled to a copy of the financial statement for the immediately preceding fiscal year at the expense of the Association and shall be made available within 120 days after the end of such fiscal year.

7.6 Notice of Sale, Mortgage, Rental or Lease. Immediately upon the closing of any sale, Mortgage, rental or lease of any Unit, the Owner shall promptly inform the Secretary or manager of the name and address of the purchaser, Mortgagee, lessee, or tenant.

7.7 Statement of Assessments. Within 10 business days after receipt of a written request from an Owner or Owner's agent for the benefit of a prospective purchaser of such Owner's Unit(s), the Association shall provide a written statement detailing the amount of assessments due from the Owner and unpaid at the time the request was received, including regular and special assessments, fines and other charges, accrued interest, late payment charges; the percentage rate at which interest accrues on assessments not paid when due; and the percentage rate used to calculate the late payment charges or the amount of a fixed charge for late payment. The Association is not required to comply with the foregoing request if the Association has commenced litigation by filing a complaint against the Owner and the litigation is pending when the statement would otherwise be due.

## 8. OCCUPATION AND USE.

8.1 Rental. The Leasing or Renting of a Living Unit by its Owner shall be governed by the provisions of this Section 8.1. "Leasing or Renting" a Living Unit means the granting of a right to use or occupy a Living Unit, for a specified term or indefinite term (with rent reserved on a periodic basis), whether in exchange for the payment of rent (that is, money, property or other goods or services of value) or not; but shall not mean and include joint ownership of a Living Unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership. With the exception of a lender in possession of a Living Unit following a default in a Mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of a foreclosure, no Owner shall be permitted to Lease his or her Unit for hotel or transient purposes, which shall be defined as Renting for any period less than 30 days. Nothing in this Section 8.1 is intended to prevent an Owner from collecting rent or sharing expenses with a housemate or renting out one or more bedrooms as a short-term rental so long as the Living Unit is also the primary residence of the Owner.

8.1.1 No Partial Leases. Except as allowed under Section 8.1 above, no Owner of a Living Unit may Lease less than the entire Unit.

8.1.2 Written Leases. All Leasing, Rental or other occupancy agreements shall be in writing and be subject to the Declaration, these Bylaws and with the Rules and Regulations, if any (with a default by the tenant or occupant in complying with this Declaration, Bylaws or Rules and Regulations constituting a default under the Lease, Rental or occupancy agreements). Owners shall provide a copy of the Declaration, Bylaws and Rules and Regulations to their tenants at the time of entering into the Lease, Rental or other occupancy agreement and shall obtain a written acknowledgement from tenants acknowledging receipt of the documents.

8.1.3 Payments by Tenant or Lessee to Association. If a Unit is Rented, the Board may collect, and the tenant, lessee or occupant shall pay over to the Board, any

amounts due to the Association hereunder for such Unit from the tenant, lessee or occupant, plus interest and costs if the same are in default over 30 days. The renter, lessee or occupant shall not have the right to question payment over to the Board. Such payment will discharge the lessee's, renter's or occupant's duty of payment to the Owner for rent, to the extent such payment is made to the Association, but will not discharge the liability of the Owner and the Unit under this Declaration for assessments and charges, or operate as an approval of the lease or occupancy agreement. The Board shall not exercise this power where a receiver has been appointed with respect to the Unit or its Owner, nor in derogation of any right which a Mortgagee of such Unit may have with respect to such rents.

8.1.4 Identification of Tenants. Each Owner electing to rent or grant occupancy of his or her Living Unit shall, within 10 days after the rental or occupancy of such Living Unit, submit to the Board in writing the identity of and contact information for such tenant or occupant.

8.1.5 Limitation on Number of Living Units. At no time shall more than 25 percent of Living Units be rented or occupied by non-Owner occupants, provided that Living Units rented by an Owner who owns and occupies another Living Unit in the Condominium shall not be included in determining whether the 25 percent rental limitation has been reached. In order to ensure that the foregoing limitation is not exceeded, Owners who intend to rent or grant occupancy rights to their Living Units shall provide 30 days written notice to the Board of their intentions. Each such Owner may proceed to rent or grant occupancy to non-Owner occupants for his or her Living Unit unless such Owner is provided written notice of the Board's refusal to allow such rental or non-Owner occupancy because such rental or non-Owner occupancy would exceed the limitation of the foregoing sentence. In the event of such Board refusal, the requesting Owner shall not rent or grant non-Occupancy to any person until the Board notifies him or her that such rental or occupancy would not violate the limitation on non-Owner occupied Living Units. The Board shall maintain a list of Owners who requested and were denied the ability to rent or grant non-Owner occupancy of their Living Units, on a first-come, first-served basis and shall promptly notify each Owner on such list as it becomes permissible to rent or grant non-Owner occupancy of such Owner's Living Unit. By consensus or a vote of 75 percent of the Board, the Board may in its sole discretion, on a time limited, case-by case basis, remove the 25 percent rental limitation.

8.1.6 Violations by Tenant. If any tenant of a Unit violates or permits the violation by his or her guests and invitees of any provisions of the Declaration, Bylaws or of the Rules and Regulations of the Association, and the Board determines that such violations have been repeated and that a prior notice to cease has been given, the Board may give notice to the tenant of the Unit and the Owner thereof to forthwith cease such violations; and if the violation is thereafter repeated, the Board shall have the authority, on behalf and at the expense of the Owner, to fine or evict the tenant if the Owner fails to do so after notice from the Board and an opportunity to be heard. The Owner and tenant shall be jointly and severally liable for any such violations of the Declaration, Bylaws or Rules and Regulations. The Board shall have no liability to an Owner or tenant for any eviction made in good faith. The Association shall have a lien against the Owner's Unit for any costs incurred by it in connection with such eviction, including reasonable attorney's fees, which may be collected and foreclosed under the terms of the Declaration.

8.1.7 Assistance by Tenants in Administration of the Condominium. If the tenant and Owner of the Living Unit occupied by such tenant agree that the tenant will assist with the administration or maintenance of the Condominium on behalf of that Living Unit, as described in Section 2.2, the Owner shall notify the Board in writing of such agreement. However, in the event the tenant does not participate in such manner, the Owner will be solely responsible for participate in lieu or make a payment in lieu to the Association, as determined by the Board of Directors.

8.1.8 Parking Units. Owners shall indicate on the lease or rental agreement for a Living Unit whether Parking Units are included with the lease or rental. Owners may also lease Parking Units to other Owners in the Association so long as such leases are in writing and copies are provided to the Board of Directors. Owners may not lease Parking Units to any party who is not an Owner or tenant of a Living Unit unless prior approval is provided by the Board of Directors. In no instance shall the lease of a Parking Unit release the Owner of such Unit from the responsibility of meeting maintenance requirements pursuant to Section 2.2 and paying assessments related to the Parking Unit.

8.1.9 No Other Restrictions. Other than as stated in this Section 8.1, there is no restriction on the right of any Owner to Lease or otherwise Rent his or her Unit.

8.1.10 Declarant's Activities. The restrictions contained in this Section 8.1 shall not apply to the Leasing or Renting of Units owned by the Declarant or owned by the Association.

8.2 Residential Use. Except as expressly permitted in these Bylaws or the Declaration, or as otherwise permitted by Board approval (with such conditions as the Board may establish) or such limited commercial uses as are permitted to be conducted in a residence by the City of Portland and applicable law, each Living Unit shall be occupied and used only as a private residence and for no other purpose. Without the prior consent of the Board of Directors, no more persons may live in a Living Unit on a permanent basis than is permitted by applicable law. Nothing contained in the Declaration or Bylaws shall preclude an Owner from having a "home office" from which the Owner conducts some of his or her business affairs, so long as (a) the Unit is not generally open to the public; (b) its use is limited to occasional visits by appointment-only customers, clients, or trade vendors; (c) and the Owner complies with all applicable laws in conducting such uses, including the City of Portland Zoning Code governing "accessory home occupations." Nothing contained in this Section 8.2 shall prevent the Declarant or Declarant's successors and assigns from completing the Units and the buildings they are in, maintaining Units as models for display purposes, and otherwise maintaining construction or sales offices displays and signs.

8.3 Insurance Risk. No Unit or Common Elements shall be occupied or used by anyone in such a manner as to result in an increase in the cost of casualty or liability insurance on the Condominium or the risk of cancellation, or threat of cancellation, of any policy of insurance on the Condominium or any Unit or any part of the Common Elements.

8.4 Compliance. Each Owner shall comply and shall require all residents, invitees, employees and visitors to his or her Unit to comply with the Act, the Declaration, these Bylaws and the Rules and Regulations adopted pursuant thereto.



8.5 Alterations. Except as otherwise permitted by these Bylaws or the Declaration, no Owner (except for Declarant) shall make or allow any structural or other alterations in or to any of his or her Units, or make or allow any alteration or addition to the Common Elements, including, without limitation, the installation of a fence of a type not specifically allowed under this Section 8.5 or a structure in a Limited Common Element yard, without the prior consent in writing of the Board of Directors, which shall not be unreasonably withheld. The foregoing restriction shall not apply to landscaping within a Limited Common Element yard by the Owner to whom such yard is reserved. An Owner may install a fence around the Limited Common Element yard reserved for such Owner's Living Unit without need for approval of the Board of Directors, provided that the fence shall be built from naturally finished wood and/or metal and may not exceed forty-two inches (42") in height, except that fences surrounding a back yard Limited Common Element (which can include portions of side yard area only to the extent they are located behind the rear wall plane of the Living Unit) may be up to six feet (6') in height. Notwithstanding the foregoing limitation, fences of alternative designs and materials may be installed with the advance written consent of the Board of Directors prior to installation. The Board of Directors may adopt design guidelines with acceptable paint colors and materials for Unit exteriors and alternative designs or materials for fencing than those specified in this Section 8.5.

The Board of Directors shall consider the granting of consent to any alteration proposed under this Section 8.5 only after the Owner shall submit a complete set of architectural, mechanical, electrical or other relevant plans and specifications, which submission shall be reviewed by such architects and engineers as the Board of Directors shall deem appropriate. The Board shall provide a copy of such submission materials to the Declarant upon receipt. Whether or not such consent is granted, the Owner shall pay, upon demand and in advance, if so required by the Board of Directors, for such professional review. During the course of construction and after completion of same, the Board of Directors shall cause its professional advisors to inspect the work to ensure that it is performed in compliance with the approved plans. The costs of such inspection(s) shall be paid by the Owner to the Board of Directors, upon demand. The Board shall provide reasonable advance notice to Declarant of its inspection to Declarant and Declarant or its contractors or agents may, but shall not be obligated to, inspect the work concurrently with the Board's professional advisors.

Prior to commencement of construction, the Owner shall provide the Board of Directors with copies of all relevant building permits and evidence of due compliance with any other requirements of government bodies having jurisdiction regarding such work. Before proceeding with any approved alterations or improvements, the Owner shall, if the Board of Directors so requires, provide to the Association, at the expense of the Owner, a performance bond and a labor and materials bond, issued by a surety satisfactory to the Board of Directors, each in the amount of at least 125 percent of the estimated cost of such alterations or improvements or such other security as shall be satisfactory to the Association.

8.6 Occupants of Corporate Unit. Whenever a Unit is owned in whole or in part by a partnership, corporation, trust, or other entity, such an entity shall designate at the closing of the acquisition of its ownership interest one particular person or family that shall be entitled to be the primary occupant of the Unit. Only such designated person or family and non-paying guests may occupy such Unit. A different person or family may be so designated as the



named user of a Unit by written notice to the Association; provided, however, that no more than two such changes may be made in any calendar year.

8.7 Non-Interference. Each Unit shall be used only for such purpose and to such extent as will not overload or interfere with any Common Elements or the enjoyment thereof by the other Owners.

8.8 Nuisances. No nuisances or noxious or offensive activities shall be allowed in the Condominium nor shall any use or practice be allowed that is improper or offensive in the opinion of the Board of Directors or that unreasonably interferes with or is an unreasonable annoyance to the peaceful possession or proper use of the Condominium by other Owners or occupants or requires any alteration of or addition to any Common Element. Unit occupants and their guests shall exercise care not to make noises that may disturb other occupants or guests, including the use of musical instruments, radios, televisions and amplifiers. Speakers for audio equipment may not be mounted on or against walls or on floors of a Unit without an adequate sound barrier to prevent vibration and transmission of bass sounds outside the Unit. The Board may establish reasonable quiet hours at the Condominium, pursuant to Section 8.23. Road noise, noise from the Portland International Airport and trains in the vicinity of the Condominium, noise from mechanical systems of the Condominium, air compressors and other incidental noises from multi-family buildings, including, without limitation, from residents' use of the Common Elements in accordance with these Bylaws and the Rules and Regulations, shall not be considered nuisances. In addition, smells from barbecues in the Common Elements shall not be considered nuisances. Owners shall not discard or throw, or allow to be discarded or thrown, intentionally or otherwise, any items from the windows or entry areas, including, without limitation, cigarettes or ashes. Owners shall not allow the storage or use of hazardous substances in their Units other than normal cleaning materials and paint stored and used in accordance with applicable law. Owners and other occupants shall not engage in any abusive or harassing behavior, either verbal or physical, or any form of intimidation or aggression directed at other Owners, occupants, guests, or invitees, or directed at the manager, its agents or employees, or vendors.

8.9 Unlawful or Improper Activities. No unlawful use shall be made of the Condominium or any part thereof, and all Legal Requirements shall be strictly complied with. Compliance with any Legal Requirements shall be accomplished by and at the sole expense of the Owner or Association, as the case may be, whichever shall have the obligation to maintain and repair the portion of the Condominium affected by any such Legal Requirement. Each Owner shall give prompt notice to the Board of Directors of any written notice received of the violation of any Legal Requirement affecting the Owner's Unit or Units or the Condominium. Notwithstanding the foregoing provisions, an Owner may, at such Owner's expense, defer compliance with and contest, by appropriate proceedings prosecuted diligently and in good faith, the validity or applicability of any Legal Requirement affecting any portion of the Condominium that such Owner is obligated to maintain and repair, and the Board of Directors shall cooperate with such Owner in such proceedings, provided that:

8.9.1 Such Owner shall pay and shall defend, save harmless, and indemnify the Board of Directors, the Association, and each other Owner against all liability, loss or damage that any of them respectively shall suffer by reason of such contest and any noncompliance with such Legal Requirement, including attorneys' fees and other expenses incurred;

8.9.2 Such Owner shall keep the Board of Directors advised as to the status of such proceedings; and

8.9.3 If any Owner conducts any activity or fails to comply with any Legal Requirement that increases the insurance premiums on insurance carried by the Association, or for which the Association is directly or indirectly responsible, such Owner shall pay such increased premium to the Association, upon demand, and if not so paid, such amount shall bear interest after the date of such demand at the rate provided in Section 7.6 of the Declaration.

8.10 Contested Legal Requirements. An Owner need not comply with any Legal Requirement so long as the Owner is contesting the validity or applicability thereof as provided in Section 8.10, provided that noncompliance shall not create a dangerous condition or constitute a crime or an offense punishable by fine or imprisonment, and that no part of the Condominium shall be subject to being condemned or vacated by reason of noncompliance or otherwise by reason of such contest. The Board of Directors may also contest any Legal Requirement without being subject to the conditions described in Section 8.10 as to the contest and may also defer compliance with any Legal Requirement, subject to the conditions contained in this Section 8.11 as to deferral of compliance by an Owner, and the costs and expenses of any contest by the Board of Directors shall be a common expense.

8.11 Improper Discharge. No Owner or occupant shall discharge, or permit to be discharged, anything into water lines, vents or flues of the Condominium that may violate applicable laws or regulations or might reasonably be anticipated to cause damage thereto or reduce the life expectancy thereof (excepting normal wear and tear), spread odors or otherwise be harmful or offensive.

8.12 Limitation on Storage Areas. The Board of Directors shall determine what may and may not be stored in the interior and exterior General Common Elements of the Condominium, including furnishings for the Common House. No hazardous or flammable materials will be stored in storage areas, including, without limitation, the bike storage building or any yard/tool sheds, unless such items are stored in a manner consistent with insurance requirements and all applicable laws.

8.13 Vehicle Parking Restrictions. Parking spaces are restricted to use for parking of operative motor vehicles or bicycles, unless an exception is granted by the Board of Directors in writing. Parking of boats, trailers, truck campers, or recreational vehicles in excess of a length to be established by the Board and the parking of equipment and vehicles in excess of a gross vehicle weight to be established by the Board shall not be allowed on any part of the Property. No Owner shall permit any vehicle that is in an extreme state of disrepair to be abandoned or to remain parked upon any adjoining public street for a period in excess of 48 hours. A vehicle shall be deemed to be in an "extreme state of disrepair" when the Board reasonably determines that its presence offends occupants of the neighborhood. The Board shall require removal of any inoperative vehicle, or any other equipment or item improperly stored in parking areas. If the same is not removed, the Board shall cause removal at the risk and expense of the Owner thereof.

#### 8.14 Animals

8.14.1 Any inconvenience, damage or unpleasantness caused by pets or other animals in Units or yards shall be the responsibility of the respective Owners thereof.

8.14.2 No animals shall be raised, kept or permitted within the Units, except domestic dogs, cats, or other household pets.

8.14.3 No dogs shall be permitted to run at large.

8.14.4 Initial purchasers of Living Units may have indoor and outdoor cats. The Board may adopt restrictions on cats being outdoors to minimize song bird predation. New cats to the community, including those brought by subsequent purchasers, shall not be permitted to run at large.

8.14.5 No such dogs, cats or household pets shall be kept, bred or raised for commercial purposes.

8.14.6 Owners are permitted to keep up to three household pets (other than fish), such as dogs or cats, within a Living Unit provided that no more than one dog is allowed per Living Unit. All dogs and cats must be licensed and spayed or neutered at breeding age.

8.14.7 All cats and dogs must wear visible identification that includes owner contact information at all times.

8.14.8 No pet shall be left unattended for a period that, in the judgment of the Board, presents an unreasonable risk of harm to the pet.

8.14.9 All dogs shall be carried or maintained on a leash while outside a Unit or fenced yard.

8.14.10 Dogs who exhibit aggressive or other dangerous behavior are not permitted in the community unless the dog obtains an AKC Canine Good Citizen or similar certification as acceptable to the Board.

8.14.11 Except for service animals, no animals will be allowed within common buildings or common rooms.

8.14.12 An Owner may be required to remove a pet after receipt of two notices in writing from the Board of Directors of violations of any Rule, Regulation or restriction governing pets within the Condominium.

8.14.13 The Board may elect in its sole discretion to allow chickens, bees and other small animals to be kept in designated common areas.

8.14.14 The Board may adopt additional pet restrictions in accordance with Section 8.23 and all pet owners shall abide by those additional Rules and Regulations.

8.15 Signs and Displays. Signs up to 6 inches by 24 inches displaying the occupant's name and address are permitted at Living Unit entries. Also permitted are: temporary signs not larger than 18 inches by 24 inches at Living Unit entries or within the Unit's Limited Common Element yard area advertising the property for sale, signs not larger than 18 inches by 24 inches in front of a particular Unit within the Unit's Limited Common Element yard area announcing support for an individual or position listed upon an election ballot recognized by the Secretary of State of the State of Oregon as an official election ballot, and temporary community decorations, which are removed upon the sale of the Unit, holding of the election, or conclusion of the community project (as applicable). The Board of Directors may adopt Rules and Regulations allowing for larger signs and less regulated signage content, so long as such Rules and Regulations adhere to Section 8.23 of these Bylaws. The Board of Directors may adopt rules regulating the nature of other items (including other signs, laundry, rugs, sheets, and reflective surfaces) that may be placed in or on windows, balconies, exterior walls, Limited Common Element Yards and any General Common Element so as to be visible from other Units, the Common Elements, or outside the Condominium, also subject to Section 8.23.

8.16 Trash. No part of any Unit or the Common Elements shall be used or maintained as a dumping area for rubbish, trash, garbage or other waste, other than designated common trash disposal and compost areas. The Board may adopt additional Rules and Regulations regarding the management of trash, recycling and compost pursuant to Section 8.23.

8.17 Auctions or Open House. No Owner shall, when attempting to sell, lease or otherwise dispose of his or her Unit, or any personal property located therein, hold an "open house" or "auction" without the prior written approval of the Board of Directors. The Board shall approve any reasonable request.

8.18 Overloading. No Owner shall do anything to overload any part of a Unit or any part of the Common Elements.

8.19 Common Buildings and Outdoor Open Space. Common buildings, facilities and play areas and all General Common Elements, common gardens and storage areas, are for the use of the Owners, guests and tenants, including guests present on the Property for educational purposes. The Board shall post Rules and Regulations adopted pursuant to Section 8.23 stating the hours the various facilities shall be available for use and the scheduling and conditions related to use. Use of common buildings and open space shall also be subject to the Rules and Regulations adopted by the Board from time to time as provided in Section 8.23.

8.20 Utilities and Antennae. No sewer, drainage, utility lines, wires, satellite dishes, or other devices for the communication or transmission of electric current, power, or signals (including telephone, television, microwave, or radio signals) shall be constructed, placed, or maintained anywhere in or upon the Condominium other than within the building or other structures unless contained in conduits or placed or maintained underground or concealed in or under the building or other structures, without the prior written approval of the Board. No device for the transmission or reception of telephone, television, microwave, or radio signals will be allowed within the Condominium unless the antenna is located and screened so as not to be visible from neighboring buildings and streets. The Association shall also provide to Owners a designated space on the roof of the building for the installation of satellite dishes and other communications equipment. Nothing contained in this Section 8.20 shall be construed to prohibit the erection or use of temporary power or telephone facilities during construction or

repair of Improvements nor shall it apply to construction activities of Declarant. In addition, this Section 8.20 shall not prohibit Declarant or the Board from installing or allowing the installation of solar or other alternative power generating equipment on the Condominium property. The restrictions contained in this Section 8.20 shall be effective only to the extent permissible under applicable laws and regulations.

8.21 Smoking Restriction. Smoking shall be prohibited in all Units, Limited Common Element yards and indoor Common Elements of the Condominium, including, without limitation, the Common House and bike storage building. Smoking is prohibited in outdoor Common Elements unless the Board designates specific times and/or outdoor areas where it is allowed.

8.22 Outdoor Lighting. Outdoor lighting attached to Living Units or installed in Limited Common Element yards shall be downcast and/or shielded so as not to project into the windows of neighboring Units and shall not unreasonably project into neighboring Limited Common Element yards.

8.23 Association Rules and Regulations. In addition to the foregoing requirements, the Association and the Board of Directors from time to time may adopt, modify, or revoke such Rules and Regulations governing the conduct of persons and the operation and use of the Units and the Common Elements as it may deem necessary or appropriate in order to assure environmental values of the Owners and the peaceful and orderly use and enjoyment of the Condominium including, without limitation, establishment of reasonable administrative fees, such as fees for new owner set-up and owner's packet, move-in and move-out fees, etc. Any such Rules and Regulations may be amended, modified or revoked by the Board of Directors or Association in the same manner as these Bylaws. A copy of the Rules and Regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the Board of Directors promptly to each Owner, made available to renters and prospective purchasers, and shall be binding upon all Owners and occupants of all Units from the date of delivery. In the event of a conflict between a Rule or Regulation adopted by the Board and by the Owners, the Rule or Regulation adopted by the Owners shall prevail over the Rule or Regulation adopted by the Board of Directors.

Neither the Board nor the Association may adopt any Rules and Regulations in violation of the following provisions:

8.23.1 Equal Treatment. Similarly situated Owners shall be treated similarly.

8.23.2 Speech. The rights of Owners and occupants to display on their Living Unit political signs and symbols of the kinds normally displayed inside or outside of residences located in residential neighborhoods on individually owned property shall not be abridged, except that the board may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and occupants.

8.23.3 Religious and Holiday Displays. The rights of Owners to display on their Unit religious and holiday signs, symbols, and decorations of the kinds normally displayed inside or outside of residences located in residential neighborhoods shall not be

abridged, except that the Board may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and occupants.

8.23.4 Activities within a Unit. Neither the Association nor the Board shall make any rule that interferes with the activities of the residents carried on within the confines of their Unit, except that the Association may prohibit certain activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that impose monetary costs on the Association or other Owners that create a danger to the health or safety of other occupants, that generate excessive noise or traffic, that create unsightly conditions visible outside of the Unit, that block views from other Units, or that create an unreasonable source of annoyance.

8.23.5 Solar Energy. Neither the Association nor the Board shall make any rule that prohibits the installation of Solar Equipment, such as solar collectors or clotheslines. The Association or Board may, however, place reasonable restrictions on the locations of such devices and may establish rules for installation so as to protect the Association from any costs or liability associated with them.

8.23.6 Interpretation of this Section. This Section 8.23 shall be interpreted to give the Association and the Board the widest possible latitude in adopting Rules and Regulations as long as such Rules and Regulations do not conflict with the Association's obligations under the U.S. Constitution, federal civil rights laws, federal housing laws, the State of Oregon Constitution, and Oregon statutes.

8.24 Activities of Declarant. Nothing in this Article 8 or in the other provisions of these Bylaws shall be construed to limit, modify, or otherwise restrict the rights of Declarant pursuant to the Declaration with respect to the planning, designing, developing, constructing, and sale of improvements on the Property.

## 9. MAINTENANCE OF CONDOMINIUM PROPERTY; CONDEMNATION.

9.1 Maintenance and Repair. Except as otherwise provided in the Declaration for damage or destruction caused by casualty:

9.1.1 Living Units. All maintenance of and repairs to any Living Unit shall be made by the Owner of such Unit, who shall keep the same in good order, condition, and repair and shall do all maintenance activities which at any time may be necessary to maintain the good appearance and condition of his or her Unit(s) and shall keep the deck or patio adjacent to or within the boundaries of his or her Living Unit and Limited Common Element Yard area clean and free of debris and standing water. In addition, each Owner of a Living Unit shall be responsible for the maintenance, repair, or replacement of the window glass, exterior doors, interior doors and door assemblies and any plumbing fixtures, range hoods, telephones, fans, lighting fixtures and lamps, refrigerators, dishwashers, ranges, or other appliances and accessories that may be in his or her Unit. Owners of Living Units 7, 8, and 9 are responsible for the maintenance, repair or replacement of their fire sprinkler systems (which may extend into Limited Common Element Yard areas), including the cost of city-required inspections of backflow prevention valves. Each Living Unit Owner shall maintain the window frames and window assemblies, trim, trellises, siding, flashing, roofing, gutters, exterior painting,

downspouts, and solar equipment included as part of his or her Living Unit, subject to the following provisions applicable to attached Living Units within the same building (each, a "Building Structure"):

Owners of Living Units within a Building Structure shall confer with one another prior to changing the exterior paint color or any materials used on the exterior of the Building Structure, provided that the consent of the other Owners within the Building Structure shall not be required except as otherwise provided below for certain elements of the Building Structure. Except as otherwise provided in the Declaration and Bylaws and subject to this Section 9.1.1, in the event repair or replacement of the common foundations of a Building Structure or common firewalls (which term shall have the same meaning as party walls) of a Building Structure should become necessary or appropriate, then the Owners of the affected Units within the Building Structure that require such repair or replacement shall be jointly responsible for such repair and/or replacement, and the Owners of such affected Units shall share equally in the expense of such repair and replacement. The general rules of the law of the State of Oregon regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply to all such party walls, to the extent such rules are not inconsistent with the provisions of this section. In the event an Owner of a Unit in a Building Structure determines repair or replacement of the building elements and utilities that cross Living Unit boundary lines, including, but not limited to: common fire walls, foundations, structural sheathing, connectors, porches and porch coverings, decks, eaves and overhangs, roofing, flashing, rain gutters and downspouts, exterior finish materials, rain drains, footing drains, driveways, electrical lines, television cable and telephone lines that are shared or used in common or necessary for lateral stability or that cross common Living Unit boundary lines (collectively, the "Shared Building Elements") is necessary or appropriate, that Owner shall notify the other Owners of the affected Units within the Building Structure of the need to perform such repair or replacement. If a majority of the Owners of the affected Units within the Building Structure agree that such repair or replacement is necessary, they shall jointly cause such work to be performed, and each Owner of an affected Unit within such Building Structure shall pay an equal portion of the expense of such work. If an Owner of an affected Unit determines repair or replacement of the Shared Building Elements of a Building Structure is necessary or appropriate and a majority of the Owners of the other Units affected or claimed to be affected do not concur with such determination, then the Owners of the Units affected (or claimed to be affected) shall mutually agree upon and retain a professional engineer licensed in the State of Oregon having at least five years experience in such matters to inspect the Shared Building Elements, and such engineer shall make a determination as to whether such repair or replacement is required. The determination of such engineer shall be binding on the affected Owners, and all expenses and fees of the engineer and of the repair or replacement work required to be performed, if any, shall be borne as provided in this Section. In the event the Owners of Units so affected or claimed to be so affected cannot agree upon a professional engineer having the required qualifications within a 30-day period, then any of the affected Owners may make application to the Board of Directors, which shall select such engineer having the requisite qualifications. The fees and expenses of the engineer shall be shared equally by the Owners of the Units within the subject Building Structure.

Notwithstanding any language to the contrary in this Section 9.1.1, in no event may the Owners within a Building Structure that includes Living Units 5, 8, or 14 replace the roofing or exterior finish materials with materials of significantly higher cost than replacement with the same roofing or exterior finish materials, as applicable, as are then in place without the prior



written approval of the Owners of Living Units 5, 8, or 14, as applicable. If the Owners of Living Units 5, 8, or 14, as applicable, do not approve such a proposal, (i) the Owners in the applicable Building Structure may proceed with replacing the roofing or exterior finish materials with the same or similar products as are then in place, or, (ii) the Owners in the applicable Building Structure may proceed with replacing the roofing or exterior finish materials with the more expensive material if all Owners in the applicable Building Structure other than Living Units 5, 8, or 14, as applicable, agree to pay all costs for the more expensive replacement materials for the Building Structure in excess of the cost of utilizing the same or similar materials as are then in place, including the excess cost attributable to Living Units 5, 8, or 14, as applicable, such that the Owners of Living Units 5, 8, or 14, as applicable, are responsible only for their share of the cost that would have been incurred if the same or similar materials were used for the replacement.

In the event the Owner of an affected Living Unit fails to contribute to the expense of the engineer or the repair or replacement of the Shared Building Elements within 30 days after written demand therefor from another Unit Owner within the affected Building Structure, then the amount not paid or reimbursed, as well as interest thereon at the rate of 12 percent per annum from the date of such written demand, shall become a charge and lien against the Unit of the Owner failing to make such payment or reimbursement. Each Owner of a Living Unit in a Building Structure shall be deemed to have agreed, by acceptance of a deed conveying the Unit, that any such lien shall be effective, without the necessity of obtaining the joinder of such Owner in the execution of any instrument, upon the filing by another Owner of a Living Unit within the same Building Structure of a claim of lien in the Official Records of Multnomah County, Oregon. Any such lien may be foreclosed in the manner set forth in ORS 86.705 to 86.990.

9.1.2 Parking Units. The Association shall maintain, repair and replace the Parking Units. Notwithstanding the foregoing, each Parking Unit Owner shall keep his or her Parking Unit in a clean and safe condition.

9.1.3 Limited Common Elements. Each Owner shall maintain the Limited Common Element yard area reserved for his or her Unit, including the landscaping and any structures located therein, in a neat and clean condition, free from debris and standing water, and shall maintain, repair and replace any perimeter fencing located in or along the boundary of such Limited Common Element yard, if any; provided that Owners of Units sharing a perimeter fence shall be jointly responsible for the maintenance, repair and replacement of such shared fence. Limited Common Element storage sheds shall be maintained by the Owners of the Living Units to which they are assigned.

9.1.4 Common Elements and Association Property. Except as otherwise provided in Sections 9.1.1 through 9.1.3, the Association shall maintain, inspect, repair, or replace the General Common Elements, Association Property and any other property for which the Association is responsible in good condition and in accordance with the Maintenance Plan. The Association's costs for such activities shall be charged to the Owners as a common expense in accordance with Section 7.2 of the Declaration, as such Declaration may be amended; provided, that if such maintenance, repairs or replacement have been necessitated by acts or omissions of an Owner by reason of which the Owner is responsible under applicable law or under these Bylaws for all or a portion of the costs thereof, such costs shall be charged solely to the Owner so responsible. However, should actual collection of such costs from the responsible Owner within a reasonable period of time prove impossible after reasonable



collection efforts, the uncollected portion may be charged as a common expense in accordance with Section 7.2 of the Declaration, as such Declaration may be amended, subject to reimbursement of any amounts later collected from the responsible Owner. Without limitation of the foregoing, the Association shall be responsible for the inspection, painting, staining, maintenance, repair and replacement of the arbors or trellises, trash enclosure, exterior site and path lighting (even if affixed to a Living Unit), artwork attached to the exterior of a Living Unit by the Declarant, and Common House (including, without limitation, the inspection, repair and replacement of the roof, exterior doors, door frames and assemblies, window frames and assemblies); cleaning of the Common House interior, bike storage rooms, and all Association Property located therein; cleaning of the exterior surfaces of all window and door glass of the Common House; and the cutting, pruning, trimming, and watering of all landscaping. The Association is responsible for maintaining warranties in effect, if any, for all portions of the Common Elements, Association Property and any other property for which the Association is responsible, to the fullest extent possible.

If the Mortgagee of any Unit determines that the Board is not providing an adequate maintenance, repair, and replacement program for the Common Elements, such Mortgagee, at its option, may deliver a notice to the registered agent of the Association, as required pursuant to ORS 100.550, setting forth the particular defect(s) which it believes exists in the maintenance, repair, and replacement program. If the specified defect(s) are not corrected within 60 days after receipt of such notice, then the Mortgagee, upon written notice to the registered agent that it is exercising its proxy rights thereunder, shall have the right to attend succeeding annual or special meetings of the Association and to cast a vote for each Living Unit on which it holds a Mortgage on all business coming before such meeting, which proxy rights shall continue until the defect(s) described in the notice are corrected.

9.1.5 Repairs by Association. The Association may make repairs to a Unit that an Owner is obligated to make and that he or she does not make within a reasonable time. If such repairs are of an emergency nature (in that the repairs must be promptly made to prevent further or imminent potential damage to the Unit involved, other Units or any Common Element), the Association may make such repairs immediately, without notice to the Owner, if he or she is not available for reasonable notification within the time frame that the nature of the emergency shall reasonably afford. The Association shall indemnify its agents, employees and other of its representatives from any and all liability to any Owner incurred by reason of any reasonable exercise of the right of entry afforded in the Declaration or these Bylaws to effect emergency repairs. The Association shall have no liability to an Owner for any use of its right of entry or right to make emergency repairs if it shall have reasonable cause to believe that such action is required. An Owner shall be deemed to have consented to having such repairs done to his or her Unit by the Association. An Owner shall reimburse the Association in full for the cost of such repairs, except to the extent covered by insurance proceeds received by the Association, including any legal or collection costs incurred by the Association in order to collect the costs of such repairs. All such sums of money shall bear interest from the due date therefor at the rate provided in Section 7.5 of the Declaration. The Association may collect all such sums of money in such installments as the Board of Directors may determine, which installments shall be added to the monthly contributions towards the common expenses of such Owner, after the Owner's receipt of notice thereof. All such payments are deemed to be additional contributions towards the common expenses and recoverable as such.

9.2 Failure to Follow Maintenance Plan. If the Association fails to follow the maintenance and inspection requirements contained in the Maintenance Plan described in Section 4.2.21 above, then the Association hereby waives any claim it might otherwise have against Declarant and its design professionals, contractors and subcontractors and their consultants, including without limitation, all of their officers, members, directors, employees, agents, brokers and affiliates, for loss or damage to the extent the same results from such failure to follow the Maintenance Plan, and shall indemnify such persons and entities from and against claims by Owners or other persons or entities for loss or damage resulting from such failure.

## 10. INSURANCE.

10.1 Types. Each Owner shall be responsible for obtaining, at his or her own expense, insurance covering his or her property not insured under Section 10.1.1 below and against his or her liability not covered under Section 10.1.2 below, unless the Association agrees otherwise. For the benefit of the Association and the Owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance:

10.1.1 Insurance covering loss or damage under an all-risk replacement cost policy, which coverage must include fire, extended coverage, vandalism and malicious mischief, and such other coverages such as flooding, which the Association may deem desirable, for not less than the full insurable replacement value, including the cost of replacement in compliance with the then applicable building codes, of the Units and Common Elements, including any fixtures, building service equipment, and common personal property and supplies belonging to the Association. Such policy or policies shall name the Association and the Owners as insureds, as their interests may appear, and shall provide for a separate loss payable endorsement in favor of the Mortgagee of each Unit, if any. No such policy shall contain a deductible exceeding the lesser of five percent of the face amount of the policy or \$5,000.00.

10.1.2 A policy or policies insuring the Declarant, the Association, the Board of Directors, the Owners and the managing agent, against liability to the public or to the Owners, and their employees, invitees, or tenants, incident to the supervision, control, operation, inspection, maintenance, or use of the Condominium, including all Common Elements, public ways, and any other areas under the supervision of the Association. There may be excluded from such policy or policies coverage of an Owner (other than as a member of the Association or Board of Directors) for liability arising out of acts or omissions of such Owner and liability incident to the ownership and/or use of the part of the Condominium as to which such Owner has the exclusive use or occupancy. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) on a combined single limit basis. In addition to the indexing provided under Section 13.7 of these Bylaws, the foregoing policy limits of liability shall be increased, in the sole discretion of the Board of Directors, as indicated by the course of plaintiff's verdicts in personal injury claims in the Circuit Court of Multnomah County, State of Oregon, from time to time. Such policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of the named insured under the policy or policies shall not be prejudiced as respects any action against another named insured.

10.1.3 Worker's compensation insurance to the extent necessary to comply with any applicable laws.

10.1.4 Directors' and officers' liability insurance with coverage in an amount of not less than One Million Dollars (\$1,000,000), subject to a reasonable deductible which shall be determined by the Board of Directors.

10.1.5 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 manager, such manager shall maintain fidelity insurance for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The cost of such insurance shall be at the expense of the Association, provided that the cost of such insurance for the manager shall be paid for by the manager. The total amount of fidelity insurance coverage required shall be based upon the best business judgment of the Board of Directors. In no event, however, may the aggregate amount of such bond be less than the sum equal to the greater of: (i) three months' aggregate assessments on all Units plus reserve funds; or (ii) the combined amount of funds in Association accounts and any obligations of the U.S. government purchased by the Association under ORS 100.480. 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 each servicer on behalf of the Federal National Mortgage Association ("FannieMae").

10.2 Mandatory Policy Provisions. Insurance obtained by the Association shall be governed by the following provisions:

10.2.1 All policies shall be written with the State of Oregon or a company licensed to do business in the State of Oregon acceptable to FannieMae which falls into a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's *Insurance Reports*, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's *Insurance Reports – International Edition*, an "A" or better rating in Demotech's *Hazard Insurance Financial Stability Ratings*, a "BBBq" qualified solvency ratio or a "BBB" or better claims-paying ability rating in Standard and Poor's *Insurer Solvency Review*, or a "BBB" or better claims-paying ability in Standard and Poor's *International Confidential Rating Service*.

10.2.2 All losses under policies hereafter in force placed by the Association regarding the Condominium shall be settled exclusively by the Board of Directors or its authorized representative. The Board of Directors may give such releases as are required, and any claimant, including the Owner of a damaged Unit, shall be bound by such adjustment; provided, however, that the Board of Directors may, in writing, authorize an Owner to adjust any loss to his or her Unit or Units.

10.2.3 Each Owner shall be required to notify the Board of Directors of all improvements made by the Owner to his or her Unit or Units, the value of which is in excess

of One Thousand Dollars (\$1,000.00). Nothing in this Section shall permit an Owner to make improvements without first obtaining the approval of this Board of Directors pursuant to Section 8.5 hereof.

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

10.2.5 Notwithstanding the provisions of these Bylaws, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement, or any successor to such trustee. Such insurance trustee shall have exclusive authority to negotiate losses under any property or liability insurance policy. Each 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 Owners and their first mortgage holders, as their interests may appear.

10.2.6 All property insurance policies shall contain a "Special Condominium Endorsement" or its equivalent providing for the following: recognition of any Insurance Trust Agreement, a waiver of the right of subrogation against Owners individually, that the insurance is not prejudiced by any act or neglect of individual Owners that is not in the control of such Owners collectively, and that the policy is primary in the event the Owner has other insurance covering the same loss.

10.2.7 For purposes of this Article 10, 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 FannieMae, the designee of FannieMae, or the Association 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, policyholders or members, or (iii) policy includes any limiting clauses (other than insurance conditions) that could prevent collecting insurance proceeds.

10.2.8 All policies required by this Article 10 shall provide that they may not be canceled or substantially modified without at least 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 Owner and Mortgagee upon request.

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

10.3.1 A waiver of subrogation by the insurer as to any claims against the Association, the Board of Directors, the manager, the Owners and their respective agents, household members, and guests, except for arson and fraud;

10.3.2 A provision that any master policy on the Condominium cannot be canceled, invalidated, or suspended, nor coverage denied thereunder, on account of the conduct of any one or more individual Owners;

10.3.3 A provision that any master policy on the Condominium cannot be canceled, invalidated, or suspended on account of the conduct of any officer or employee of the Board of Directors or the manager without prior demand in writing that the Board of Directors or manager cure the defect;

10.3.4 A provision that any "no other insurance" clause in any master policy exclude individual Owners' policies from consideration, and a waiver of the usual proration clause with respect to such policies;

10.3.5 A provision that the insurer issue subpolicies specifying the portion of any master policy earmarked for each Owner's interest and that until the insurer furnishes written notice and a grace period to the Mortgagee insured under the loss payable clause thereof, the Mortgagee's coverage is neither jeopardized by the conduct of the mortgagor-Owner, the Association, or other Owners, nor canceled for nonpayment of premiums;

10.3.6 A waiver of the insurer's right to determine whether the damage should be repaired. If reasonably available, the policy or policies should contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause, to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild;

10.3.7 Waivers of any defense based on co-insurance or of invalidity arising from the conduct or any act or omission or breach of a statutory condition of or by any insured;

10.3.8 A provision that the same shall be primary insurance in respect of any other insurance carried by any Owner;

10.3.9 An "inflation guard" endorsement;

10.3.10 An endorsement providing coverage with respect to changes that may be required under applicable codes or ordinances to undamaged portions of the Condominium in the event of a casualty affecting a portion of the Condominium; and

10.3.11 A provision that any insurance trust agreement will be recognized.

#### 10.4 Additional Requirements.

10.4.1 Prior to obtaining any policy or policies of insurance under Section 10.1.1, or any renewal or renewals thereof and if any first Mortgagee holding Mortgages on at least 75 percent of the Units so requires, or at such other times as the Board of Directors may

deem advisable, the Board of Directors shall obtain an appraisal from an independent qualified appraiser, of the "full replacement cost" of the Condominium, for the purpose of determining the amount of insurance to be obtained pursuant to Section 10.1.1, and the cost of such appraisal shall be a common expense to be allocated in accordance with Section 7.2 of the Declaration; provided, however, that the full replacement cost of the Condominium for the policy or policies of insurance placed in force upon recording of these Bylaws or the Declaration shall be determined by the Declarant.

10.4.2 No Mortgage may be placed against any Unit unless the Mortgagee agrees to waive any contractual or statutory provision giving the Mortgagee the right to have the proceeds of any insurance policy or policies applied on account of the Mortgage and thereby prevent application of the proceeds of any insurance policy or policies towards the repair of the property pursuant to the provisions of these Bylaws. This Section 10.4.2 shall be read without prejudice to the right of a Mortgagee to vote on or to consent to certain matters, if the Mortgage itself contains a provision giving the Mortgagee that right, and also to the right of any Mortgagee to receive the proceeds of any insurance policy, if the insured property is not repaired.

10.4.3 A certificate or memorandum of all insurance policies and endorsements thereto shall be issued as soon as possible to each Owner and a duplicate original or certified copy of the policy or policies to each Mortgagee. Renewal certificates or certificates of new insurance policies shall be furnished to each Owner and Mortgagee not later than 10 days before the expiration of any current insurance policy. The master policy (or a copy thereof) for any insurance coverage shall be kept by the Association in its office, available for inspection by an Owner or Mortgagee on reasonable notice to the Association.

10.4.4 No insured, other than the Association, shall be entitled to amend any policy or policies of insurance obtained and maintained by the Association, or to direct that loss shall be payable in any manner other than as provided in these Bylaws.

10.5 By the Owner. It is acknowledged that the foregoing provisions specify the only insurance required to be obtained and maintained by the Association and that the following insurance shall be obtained and maintained by each Owner, as specified.

10.5.1 Insurance on any additions or improvements made by the Owner to his or her Unit or Units shall be purchased and maintained for the full insurable value thereof, unless the Owner presents in writing to the Board of Directors evidence that the additions or improvements made by the Owner to his or her Unit are insurable under the insurance issued pursuant to Section 10.1.1 and the Board of Directors, after consultation with the Association's insurer, concurs that such additions or improvements are insured under such insurance and, if necessary, the Association's insurer undertakes the requisite action to cause the additions or improvements to be added to the policy issued pursuant to Section 10.1.1. Insurance also shall be purchased for furnishings, fixtures, equipment, decorating and personal property and chattels of the Owner contained within his or her Unit or Units, and his or her personal property and chattels stored elsewhere on the Property, including his or her automobile or automobiles, and for loss of use and occupancy of his or her Unit or Units in the event of damage. Owners shall be responsible for insuring the deductible amount under the Association's policies. The Association shall notify all Owners of the amount of the deductible under the Association policies, and to the extent reasonably practicable, the Association shall give at least 30 days'

notice to the Owners of any increase in the deductible proposed in renewal or replacement insurance policies. Any such policy or policies of insurance shall contain waivers of subrogation against the Association, its manager, agents, and employees, and against the other Owners and any members of their households, except for vehicle impact, arson and fraud.

10.5.2 Public liability insurance in the amount reasonably set by the Board of Directors no more often than every three years, covering any liability of any Owner to the extent not covered by any public liability and property damage insurance obtained and maintained by the Association, including, without limitation, damages caused by fixtures, equipment, or personal property under the custody, care, or control of the Owner.

10.6 Fannie Mae and GNMA Requirements. Notwithstanding any other provisions of these Bylaws, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity requirements for condominium projects established by FannieMae and Government National Mortgage Association, so long as either is a Mortgagee or Owner of a Unit within the Condominium, except to the extent such coverage is not available or has been waived in writing by FannieMae or Government National Mortgage Association. FannieMae or FannieMae's servicer, its successors and assigns, shall be named as a mortgagee in the Association's policies.

## 11. AMENDMENTS TO BYLAWS.

11.1 How Proposed. Amendments to the Bylaws shall be proposed by either a majority of the Board of Directors or by Owners holding at least 33 percent of the voting power of the Association. 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.

11.2 Adoption. A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the Owners and may be approved by a majority of the Owners at a meeting called for this purpose. Owners not present at the meeting considering such amendment may express their approval in writing or by proxy delivered to the Board of Directors at or prior to such a meeting. Except for correction amendments, which shall be approved as provided in ORS 100.117, any resolution for amending these Bylaws shall be approved by at least a majority of the Owners, except that any resolution containing an amendment relating to age restrictions, pet restrictions, limitations on the number of persons who may occupy a Unit and limitations on leasing or rental of Units shall be approved by at least 75 percent of the voting power of the Association, and except that any provision of these Bylaws that is required to be in the Declaration may be amended only in accordance with the requirements governing amendment of the Declaration. In addition to the foregoing approval requirements, amendment of the following provisions of these Bylaws shall require the prior written approval of at least 51 percent of holders of first Mortgages on Living Units (based upon one vote for each first Mortgage held): (i) Section 9.1, which addresses maintenance and repair; (ii) Article 10, which addresses insurance requirements; and (iii) any other provision of these Bylaws which expressly benefits Mortgagees of Units or insurers or guarantors of such Mortgages. Any approval of a Mortgagee required under this Section 11.2 may be presumed by the Association if the Mortgagee fails to submit a response to a written proposal for an amendment to these Bylaws within 60 days after it receives notice of such proposal by certified or registered mail, return receipt requested. For so long as Declarant remains the owner of one

or more Living Units, the Bylaws may not be modified, added to, amended or repealed so as to eliminate, change, or impair any rights, privileges, easements, licenses or exemptions granted therein or herein to the Declarant or its designee, or otherwise adversely affect the Declarant or such designee, without the Declarant's or such designee's prior written consent in each instance.

11.3 Regulatory Amendments. Until the Declarant has turned over control of the Association to the Owners, Declarant shall have the right to amend these Bylaws in order to comply with the requirements of any applicable statute, ordinance, regulation or guideline of the Federal Housing Administration, the United States Department of Veterans Affairs, Rural Development or the Farm Service Agency of the United States Department of Agriculture, the Federal National Mortgage Association, 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 that insures, guarantees or provides financing for a condominium or units in a condominium. If the need to amend these Bylaws arises after turnover of the Association to the Owners, the amendment must be approved by the Association in accordance with the requirements of these Bylaws and the Act.

11.4 Execution and Recording. An amendment shall not be effective until certified by the Chairperson and Secretary of the Association, approved by the Real Estate Commissioner of the State of Oregon if required by law, and recorded in the deed records of Multnomah County, Oregon as required by law.

11.5 Rights of Declarant. Nothing in this Article 11 shall limit the right of the Declarant to approve amendments to the Bylaws pursuant to Section 27 of the Declaration.

## 12. LITIGATION.

12.1 Complaints Against. Complaints brought against the Association, the Board of Directors or the officers, employees, or agents thereof, in their respective capacities as such, or against the Property as a whole, shall be directed to the Board of Directors, which shall promptly give written notice thereof to the Owners and any Mortgagees who have requested notice thereof and shall be defended by the Board of Directors, and the Owners and Mortgagees shall have no right to participate other than through the Board of Directors in such defense. One or more Owners shall have the right to enjoin, abate, or remedy by appropriate legal proceedings any failure by the Association or the Board of Directors to comply with the provisions of the Declaration, these Bylaws, or any Rule or Regulation. Complaints against one or more, but less than all of the Owners, shall be directed to such Owners, who shall promptly give written notice thereof to the Board of Directors and to the Mortgagees having an interest in such Units, and shall be defended by such Owners.

12.2 Mediation. Prior to initiating litigation, arbitration or an administrative proceeding in which the Association and a Unit Owner have an adversarial relationship, all claims shall first be submitted to mediation within Multnomah County, Oregon with any dispute resolution program available that is in substantial compliance with the standards and guidelines adopted under ORS 36.175, as it may be amended. The foregoing requirement does not apply to circumstances in which irreparable harm to a party will occur due to delay or litigation or an administrative proceeding initiated to collect assessments, other than assessments attributable to fines. Except for the circumstances set forth in the immediately preceding sentence, if a party



refuses to participate in the required mediation, such party shall reimburse the other party or parties to the dispute for all costs incurred in attempting to mediate the dispute, including, without limitation, attorney fees and costs and the fees and costs of the mediator.

12.3 Limitations on Actions. Notwithstanding any other provision of the Declaration or these Bylaws, the Association shall not expend or commit to expend in excess of \$2,500 for attorneys' fees and costs for any specific litigation or claim matter or enter into any contingent fee contract on any claim in excess of \$20,000 unless first approved by at least 75 percent of the outstanding votes of the Owners. The foregoing limitation shall not apply to actions for delinquent assessments or other charges under the Declaration or these Bylaws, for actions initiated by the Association during Declarant's period of administrative control pursuant to Section 19 of the Declaration; for actions challenging ad valorem taxation or condemnation proceedings; initiated against any contractor or vendor hired by the Association or supplier of goods and services to the Association; to defend claims filed against the Association or to assert counterclaims in proceedings instituted against it; actions to appoint a receiver pursuant to Section 5.9 of these Bylaws; actions to summarily abate and remove a structure or condition that violates the Declaration or these Bylaws; or for the defense of the Association of an action or proceeding brought against the Association (except for non-mandatory counterclaims).

12.4 No Attorneys' Fees. Except as specifically provided for in the Declaration or these Bylaws and to the extent allowed by law, no party in an arbitration, mediation or other proceeding shall be entitled to recover costs and attorneys' fees in connection therewith.

12.5 Suits Against Declarant. Declarant shall have the right to be present at any meeting of the Association during which the Board of Directors or the Owners vote on whether to initiate legal action against Declarant. The Board of Directors shall provide Declarant with at least 10 days written notice of the time and place of any such meeting.

12.6 Initial Dispute Resolution Procedures. In the event of a claim by the Association or any Owner against Declarant or any contractor, subcontractor, or supplier for a construction defect, the parties shall first comply with the provisions contained in ORS 701.550 to 701.595, if applicable. In the event the claim is not for a construction defect, but relates to a claimed defect in the condition of the project, the parties shall follow the same procedures as set forth in such provisions, except that the notice of defect shall include a statement of the basis upon which the recipient is claimed to be liable for the defect. Compliance with the procedures contained in this Section 12.6 shall be a condition precedent to mediation, arbitration or litigation of any such claims.

### 13. MISCELLANEOUS.

13.1 Notices. All notices to the Association or to the Board of Directors shall be sent care of the managing agent, or if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time by written notice thereof to each Owner. All notices to any Owner shall be sent to such address as may have been designated by him from time to time, in writing, to the Board of Directors, or if no address has been designated, then to the Owner's Living Unit and, except as provided in this Section 13.1, shall be sent by messenger service (or hand delivered), over night courier service or by certified or registered U.S. Mail, return receipt requested with charges or

postage prepaid. Notices shall be deemed given upon the earlier of actual delivery or refusal of a party to accept delivery thereof.

In the discretion of the Board of Directors, any notice, information or other written material required to be given to an Owner or Director may be given by electronic mail, facsimile or other form of electronic communication ("Electronic Communication") acceptable to the Board of Directors. Notwithstanding the foregoing sentence, electronic communication may not be used to give notice of (a) failure to pay an assessment; (b) foreclosure of an association lien; (c) An action the Association may take against an Owner; or (d) an offer to use the dispute resolution program under ORS 100.405. An Owner or Director may decline to receive notice by Electronic Communication and may direct the Board of Directors to provide notice as required elsewhere in these Bylaws, the Declaration or the Act.

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

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

13.4 Action Without a Meeting; Written Ballot Process. Any action that the Act, the Declaration or the Bylaws require or permit the Board of Directors to take at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the Board of Directors, shall be filed in the records of minutes of the Association. Votes of the Owners may be conducted by written ballot, in compliance with the procedures set forth in ORS 100.425. For votes of the Owners by written ballot, the Board of Directors shall provide Owners with at least 10 days' notice before written ballots are mailed or otherwise delivered. The notice shall state the general subject matter of the vote by written ballot, the right of Owners to request secrecy procedures specified in ORS 100.425, the date after which ballots may be distributed, the period during which the Association will accept written ballots, the date and time by which any petition must be received by the Board requesting secrecy procedures, and the address where such a petition may be delivered. If, at least three days before written ballots are scheduled to be mailed or otherwise distributed, at least 10 percent 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 mailing 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. Notwithstanding the foregoing, a secrecy envelope and signed return identification envelope shall not be required for the written ballot of an Owner whose consent or approval is required by the Declaration, these Bylaws or the Act. Notwithstanding the foregoing, action by written ballot may not substitute for the Turnover Meeting, the annual meeting of the Association, a special meeting called at the request of the Owners pursuant to Section 2.6 of

these Bylaws, or any meeting of the Association for which the agenda includes a proposal to remove a Director from the Board.

13.5 Severability; Conflicts. Each term and provision of these Bylaws shall be valid and enforceable to the fullest extent permitted by law. If any term or provision of these Bylaws or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, whether under ORS Chapter 100 or otherwise, the remainder of these Bylaws and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby. These Bylaws are intended to comply with the Act and the Declaration. In case of any irreconcilable conflict, the Act and Declaration shall control over these Bylaws, any amendments hereto or any Rules and Regulations adopted hereunder.

13.6 Liability Survives Termination. The sale or other disposition of his or her Unit or Units shall not relieve or release any former Owner from any liability or obligation incurred or in any way connected to such ownership, nor shall such termination impair any rights or remedies that the Association may have against such former Owner arising out of or in any way connected with such ownership and the covenants and obligations incident thereto.

13.7 Indexing. Whenever any dollar amount is specified in these Bylaws, such amount shall be automatically adjusted each January 1 based upon any changes in the Consumer Price Index - All Items - for all urban consumers published by the U.S. Bureau of Labor Statistics (or any generally accepted substitute for such index, if such index shall be discontinued) using the index for January, 2020 as the base year.

13.8 Declarant as Owner. Except as expressly provided in these Bylaws and the Declaration, Declarant shall, with respect to any Units owned by Declarant, enjoy any and all rights, and assume any and all obligations, enjoyed or assumed by an Owner.

Dated at Portland, Oregon, this 19 day of October, 2020 being hereby adopted by the undersigned Declarant on behalf of the Association.

CULLY GREEN LLC, an Oregon limited liability company

By: Orange Splot LLC, an Oregon limited liability company

Its: Sole Member

By:

  
Eli Spevak, Managing Member

**EXHIBIT C  
TO  
WRITTEN CONSENT OF DIRECTORS  
IN LIEU OF ORGANIZATIONAL MEETING**

Budget

**HOA INCOME**

	Approximate Square Footage	Percent Ownership of Common Elements	Monthly HOA Dues Based on % Ownership	Monthly HOA Dues for Water/Sewer	Total Monthly HOA Dues	Total Annual HOA Dues
<b>Living Unit</b>						
1	1,574	5.063%	131	52	183	2,197
2	1,012	3.255%	84	52	136	1,636
3	1,393	4.481%	116	52	168	2,016
4	1,574	5.063%	131	52	183	2,197
5	1,012	3.255%	84	52	136	1,636
6	1,393	4.481%	116	52	168	2,016
7	1,574	5.063%	131	52	183	2,197
8	1,012	3.255%	84	52	136	1,636
9	1,393	4.481%	116	52	168	2,016
10	1,037	3.336%	86	52	138	1,661
11	1,040	3.345%	87	52	139	1,664
12	1,040	3.345%	87	52	139	1,664
13	1,574	5.063%	131	52	183	2,197
14	1,012	3.255%	84	52	136	1,636
15	1,393	4.481%	116	52	168	2,016
17	992	3.191%	83	52	135	1,616
18	1,574	5.063%	131	52	183	2,197
19	1,574	5.063%	131	52	183	2,197
20	1,012	3.255%	84	52	136	1,636
21	1,393	4.481%	116	52	168	2,016
22	992	3.191%	83	52	135	1,616
23	1,574	5.063%	131	52	183	2,197
16	1,700	5.468%	141	-	141	1,698
<b>Parking Unit</b>						
1	162	0.200%	5		5	62
2	162	0.200%	5		5	62
3	162	0.200%	5		5	62
4	162	0.200%	5		5	62
5	162	0.200%	5		5	62
6	162	0.200%	5		5	62
7	162	0.200%	5		5	62
8	162	0.200%	5		5	62
9	162	0.200%	5		5	62
10	162	0.200%	5		5	62
11	162	0.200%	5		5	62
12	162	0.200%	5		5	62
13	162	0.200%	5		5	62
14	162	0.200%	5		5	62
15	162	0.200%	5		5	62
16	162	0.200%	5		5	62
17	162	0.200%	5		5	62
18	162	0.200%	5		5	62
19	162	0.200%	5		5	62
20	162	0.200%	5		5	62
<b>Total HOA income</b>			<b>2,587</b>	<b>1,146</b>	<b>3,733</b>	<b>44,796</b>

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**EXHIBIT A –CONDOMINIUM DISCLOSURE STATEMENT FOR CULLY GREEN  
CONDOMINIUM**

**HOA EXPENSES**

	<b>Monthly HOA Expense</b>	<b>Annual HOA Expense</b>
<b>Administrative</b>		
Annual corporation report filing	8	100
Bank Fees	4	50
Insurance	750	9,000
Office supplies / postage / printing	8	100
Bookkeeping, finance mgmt	400	4,800
Reserve study update	33	400
Tax return preparation	21	250
<b>Maintenance &amp; Repairs</b>		
Common House Maintenance	125	1,500
Bicycle Facilities Maintenance	33	400
Landscaping & Grounds	150	1,800
General Maintenance	192	2,300
<b>Utilities</b>		
Electricity - common	138	1,650
Trash/recycling	200	2,400
Common Water/Sewer	42	500
Unit 1-19 Water/Sewer	1,146	13,750
<b>Total Operating/Maintenance</b>	<b>3,250</b>	<b>39,000</b>
<b>Replacement Reserve</b>	<b>483</b>	<b>5,796</b>
<b>Total HOA Expenses</b>	<b>3,733</b>	<b>44,796</b>

The address for each unit will be: \_\_\_\_ NE Going St./ \_\_\_\_ NE 47th Ave., Unit # \_\_\_\_.

**NOTICE:** The square footage areas stated in this Disclosure are based on the boundaries of the units as described in the Declaration and may vary from the area of units calculated for other purposes.

**NOTICE TO PROSPECTIVE PURCHASERS:** The projection of the budget of the Association of Unit Owners for the operation and maintenance and other common expenses of the Condominium is only an estimate, prepared with due care. Actual expenses incurred by the Association may vary from those estimated in the projected budget. Property taxes for each unit are not included in this estimate.

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**EXHIBIT A –CONDOMINIUM DISCLOSURE STATEMENT FOR CULLY GREEN  
CONDOMINIUM**