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BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF ENCLAVE, A CONDOMINIUM

ARTICLE I

PLAN OF UNIT OWNERSHIP

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

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

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

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

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

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

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

Section 8. Electronic Communication Permitted.

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

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

procedure described in Article VI, Section 6(a).

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

ARTICLE II

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

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

Section 2. Unit Owner Voting. The owners of each unit shall have one vote. The Declarant shall be entitled to vote as the unit owner of any previously unsold units. The Board of Directors shall be entitled to vote as to any units owned by the Association. Whenever any unit is owned by two or more persons jointly, according to the records of the Association, the vote of such unit may be exercised by any one of the owners, in the absence of protest by a co-owner. In the event of disagreement among the co-owners, the vote of such unit shall be disregarded completely in determining the proportion of votes given with respect to such matter. Notwithstanding the foregoing, if a valid court order has established the right of co-owners' authority to vote, the court order shall control.

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

Section 4. Majority Vote. The term "majority vote" or "majority of unit owners" means more than fifty percent (50%) of all votes allocated to the units by the Declaration. The term "percent of all votes" shall mean a percent of all the voting rights allocated to the units by the Declaration.

Section 5. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of more than thirty percent (30%) of unit owners shall constitute a quorum. A subsequent joinder of a unit owner in the action taken at a meeting by signing and conferring in the minutes thereof shall constitute the presence of such person for the purpose of determining a

quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of the unit owner or owners. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, as provided in Article III, Section 8 of these Bylaws.

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

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

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

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

Section 7. Fiduciaries. An executor, administrator, guardian or trustee may vote or grant consent with respect to a unit owned or held in a fiduciary capacity, whether or not the specific right has been transferred to the fiduciary, if the person satisfies the Secretary that the person is the executor, administrator, guardian, or trustee holding the unit in a fiduciary capacity.

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

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

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

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

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

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

ARTICLE III

MEETINGS OF THE ASSOCIATION

Section 1. Place of Meetings. Meetings of the Association shall be held at such suitable place convenient to the unit owners as may be designated by the Board of Directors. Any mortgagee may designate a representative to attend all or any meetings of the Association.

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

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

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

At such turnover meeting, the interim Board of Directors will resign. At such turnover meeting the Declarant shall deliver to the Association such information and documents as may be required, from time to time, by the Act. If the Declarant has complied with this Section,

unless the Declarant has sufficient voting rights as a unit owner to control the Association, the Declarant is not responsible for the failure of the unit owners to elect the number of directors sufficient to constitute a quorum of the Board of Directors and assume control of the Association in accordance with the Act. The Declarant shall be relieved of any further responsibility for the administration of the Association except as a unit owner of any unsold unit.

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

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

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

Section 6. Special Meetings. Special meetings of the Association may be called by the Chairperson, by a majority of the Board of Directors, or by the Chairperson or Secretary upon receipt of written request presented to the Chairperson or Secretary and signed by at least thirty percent (30%) of the unit owners, according to their voting rights, which written request states the items to be included on the agenda. Upon a special meeting having been called in such manner, the Board of Directors shall, by resolution, set the time and place for the special meeting, which shall be by formal gathering. The notice of any special meeting shall comply with Section 8 below and shall be sent out to the unit owners not later than 30 days after the date the written request is delivered to the Chairperson or Secretary. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all the unit owners or as otherwise set out in these Bylaws.

If the units owners request a special meeting as provided above and the notice is not given within 30 days after the written request is delivered to the Chairperson or Secretary, a unit

owner who signed the request may set the time and place of the meeting and give notice as provided in Section 8 below.

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

Section 8. Notice of Meetings. Notices of meetings shall state whether the meeting is to be held at a formal gathering or by ballot, the time and place of the meeting, and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, or any proposal to remove a director or officer of the Association. It shall be the duty of the Secretary to either hand deliver or mail a notice of each meeting of the unit owners to each owner of record, at least ten (10) days but not more than fifty (50) days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. The delivery or mailing shall be to the mailing address of the unit or to the address designated to the Secretary in writing by the unit owner. If unit ownership is split or the unit has been sold on a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. The Secretary shall also mail a copy of the notice to all mortgagees who have requested such notice. The mailing or actual delivery of a notice in the manner provided in this Section shall be considered notice served. Notice of a meeting may be waived by any unit owner before or after the meeting. For a period of 10 years following recordation of the Declaration, notices of meetings (including the agendas of meetings) shall be given to Declarant (or any designee specified in writing to the Association) in the same manner as given to unit owners, and Declarant or a representative of Declarant shall be entitled to attend such meetings.

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

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

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

ARTICLE IV

BOARD OF DIRECTORS QUALIFICATIONS, ELECTION, MEETINGS

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

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

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

Section 4. Vacancies on the Board of Directors.

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

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

(c) At least 45 days before such unit owner or first mortgagee requests the circuit

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

(d) If, at the turnover meeting held in accordance with ORS 100.210, the unit owners fail to elect the number of directors sufficient to constitute a quorum of the Board, in addition to the notice requirements set forth in subsection (c) above, a unit owner shall provide such notice to all other unit owners as provided in these bylaws.

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

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

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

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

Notwithstanding that meetings are open, unit owners may not participate in the Board meetings without the permission of the Board of Directors. As used in this Section 5, "meeting" means a convening of a quorum of members of the Board of Directors where matters relating to Association business are discussed, except a convening of a quorum of members of the Board of

Directors for the purpose of participating in litigation, mediation or arbitration proceedings. The meeting and notice requirements of this Section 5 may not be circumvented by chance or social meetings or by any other means.

Section 6. Organizational Meeting. The first meeting of a newly appointed Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were appointed, and no notice shall be necessary to the newly appointed directors in order to legally hold such meeting, providing a majority of the newly appointed directors are present.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. For a period of 10 years following recordation of the Declaration, notice of regular meetings (including agendas) shall be given to the Declarant in the same manner as given to the directors, and Declarant or its representative shall be entitled to attend such meetings.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the Chairperson or Secretary or on the written request of two directors. Special meetings of the Board of Directors may be called on three (3) days' notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place, and purpose of the meeting. For a period of 10 years following recordation of the Declaration, notice of special meetings (including agendas) shall be given to the Declarant in the same manner as given to the directors, and Declarant or its representative shall be entitled to attend such meetings.

Section 9. Emergency Meetings. In emergency situations, meetings of the Board of Directors may be conducted by telephonic communication or by use of a means of communication that allows all members of the Board of Directors participating to hear each other simultaneously or otherwise to be able to communicate during the meeting. A member of the Board of Directors participating in a meeting by this means is deemed to be present in person at the meeting. The directors shall keep contact information on file with the Chairperson to be used for such meetings. For a period of 10 years following recordation of the Declaration, Declarant or its representative shall be entitled to notice of and participation in such emergency meetings.

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

Section 11. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the existing directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Directors' Vote.

(a) Directors may not vote by proxy. Directors may not vote by secret ballot, except

for election of officers.

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

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

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

ARTICLE V

OFFICERS

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

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

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

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

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

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. He shall attend to the giving and serving of all notices to the unit owners and directors. He shall have charge of such records of the Association as the Board may direct; and he shall, in general, perform all the duties incident to the office of Secretary and as may be required by the directors.

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

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

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

ARTICLE VI

ASSOCIATION RESPONSIBILITIES; BOARD OF DIRECTORS' POWERS AND DUTIES

Section 1. Association Responsibilities. The Association, through its Board of Directors, will have the responsibility of administering the condominium; approving the annual budget; establishing and collecting assessments; arranging for the operation, management, and maintenance of the condominium, including negotiating and contracting with and supervising any person, persons, or business entity with respect to such matters; subject to Section 6 of this Article, instituting, defending or intervening in litigation or proceedings in its own name or on behalf of two or more unit owners with respect to any cause of action relating to the condominium or more than one unit; and taking such other actions and exercising such other powers as are authorized by the provisions of the Act as the same may be amended from time to time. Notwithstanding the foregoing, the Association or the Board of Directors shall not take any action that could unreasonably interfere with the sale, lease or other disposition of units owned by Declarant or that could abridge, modify, eliminate, or otherwise affect any right, power, easement, privilege or benefit reserved for Declarant or that would impose any discriminatory charge or fee against Declarant, without the written consent of Declarant.

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

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

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

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

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

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

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

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

(h) Purchasing units of the condominium at foreclosure or other judicial sales in the name of the Association, or its designee, on behalf of all the unit owners as provided in these Bylaws. In any foreclosure action instituted by the Board of Directors, the Board shall enter a bid at the sale for the amount of the unpaid lien and costs and expenses incurred in such action. No other purchase of a unit can be undertaken unless the unit owners have authorized the purchase by majority vote.

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

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

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

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

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

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

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

Section 3. Reports and Audits; Record Keeping.

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

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

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

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

(e) Without limiting the provisions of Subsection (c) above, the Association shall maintain copies, suitable for duplication, of the Declaration and Bylaws (including amendments or supplements in effect), the recorded plat (if feasible), the Associations's rules and regulations currently in effect, the most recent annual financial statement, the current operating budget of the

Association, the reserve study, if any, and architectural standards and guidelines, if any. Within 10 business days of a written request by a unit owner for the foregoing information, the Association shall furnish the requested information.

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

(g) The Association shall provide, within ten (10) business days of receipt of a written request from a unit owner, a written statement that provides: (i) the amount of assessments due from that owner and unpaid at the time the request was received, including regular and special assessments, fines and other charges, accrued interest, and late payment charges, and (ii) the percentage rate at which interest accrues on assessments that are not paid when due, and (iii) the percentage rate used to calculate the charges for late payment or the amount of a fixed charge for late payment. Notwithstanding the foregoing, the Association is not required to provide such written statement if the Association has commenced litigation by filing a complaint against the owner and the litigation is pending when the statement would otherwise be due. The Board may charge a reasonable fee for the preparation of such written statement.

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

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

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

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

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

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

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

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

(a) The name of the Association as shown on the current records of the Oregon Real Estate Agency;

(b) The name of the condominium and county in which the condominium is located;

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

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

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

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

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

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

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

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

- (e) The names and addresses of the chairperson and secretary of the corporation;
- (f) A brief description of the nature of the activities of the corporation;
- (g) Whether or not it has members;
- (h) Whether it is a public benefit, mutual benefit or religious corporation;
- (j) The federal employer identification number of the corporation; and
- (k) Additional identifying information that the Secretary of State may require by rule.

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

(3) The registered agent and Association address shall be kept current at all times with the office of the Oregon Real Estate Agency and the office of the Secretary of State. Resignation of an existing registered agent and appointment of a new registered agent shall require an amendment to be filed with each office on the appropriate forms and accompanied by the appropriate fee.

Section 6. Proceedings For Claims Other Than for Defective or Negligent Construction or Condition. The following provisions of this Section 6 shall apply to any claim, controversy or dispute by or among Declarant (including members, officers, directors, shareholders and affiliates of Declarant), the Association, the manager, or one or more unit owners, or any of them, arising out of or related to the Declaration, these Bylaws, or the Condominium, other than claims relating to defective or negligent construction or condition as provided in Section 7 below.

(a) **Mediation.** Except as otherwise provided in this Section 6, before initiating litigation or an administrative proceeding in which the Association and a unit owner have an adversarial relationship, the party that intends to initiate litigation, arbitration, or an administrative proceeding shall offer to use any dispute resolution program available within Washington County, Oregon, that is in substantial compliance with the standards and guidelines adopted under ORS 36.175. The offer shall be in writing and must be hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the Association, for the other party.

If the party receiving the offer does not accept the offer within 10 days after receipt of the written notice described above, the initiating party may, subject to the remaining provisions of this Section 6 and Section 9 of this Article, commence the litigation, arbitration or the administrative proceeding. The notice of acceptance of the offer to participate in the program must contain the name, address, and telephone number of the body administering the qualified dispute resolution program selected by the accepting party.

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

Unless a stay has been granted as described above, if the dispute resolution process

is not completed within 30 days after receipt of the initial offer, the initiating party may, subject to the remaining provisions of this Section 6 and to Section 9, commence litigation, arbitration, or an administrative proceeding without regard to whether the dispute resolution is completed.

The requirements of this Section 6(a) do not apply to circumstances in which irreparable harm to a party will occur due to delay, or to excluded matters set forth in Section 6(c) below.

(b) Arbitration. All of the claims, controversies, or disputes that are subject to mediation as provided in Section 6(a) above shall, if not timely resolved by mediation, be resolved by arbitration in accordance with Section 8 below. The decision and award of the arbitrator shall be final, binding and nonappealable.

(c) Excluded Matters. Notwithstanding the foregoing, the following matters shall not be subject to mediation or arbitration under this Section 6 (but shall be subject to Section 6(d) below): (i) actions relating to the collection of fees, assessments, fines and other charges imposed or levied by the Association (other than disputes as to the validity or amount of such fees, assessments, fines or charges, which disputes shall be subject to mediation and arbitration as provided above), and (ii) actions to enforce any order, decision or award rendered by arbitration pursuant to Section 8 below. The filing of a lis pendens or the application to any court for the issuance of any provisional process or similar remedy described in the Oregon or Federal Rules of Civil Procedure shall not constitute a waiver of the right or duty to utilize the procedures specified in this Section 6.

(d) Costs and Attorney's Fees. The fees of any mediator and the costs of mediation shall be divided and paid equally by the parties. Each party shall pay its own attorneys' fees and costs in connection with any mediation. The fees of any arbitrator and the costs of arbitration shall be paid by the nonprevailing party or parties; if none, such fees and costs shall be divided and paid equally by the parties. Except as otherwise provided in Section 7(e) below, should any suit, action or arbitration be commenced in connection with any dispute related to or arising out of the Declaration or these Bylaws, to obtain a judicial construction of any provision of the Declaration or these Bylaws, to rescind the Declaration or these Bylaws or to enforce or collect any judgment or decree of any court or any award obtained during arbitration, the prevailing party shall be entitled to recover its costs and disbursements, together with such investigation, expert witness and attorneys' fees incurred in connection with such dispute, as the court or arbitrator may adjudge reasonable, at trial, in the arbitration, upon any motion for reconsideration, upon petition for review, and on any appeal of such suit, action or arbitration proceeding. The determination of who is the prevailing party and the amount of reasonable attorneys' fees to be paid to the prevailing party shall be decided by the arbitrator (with respect to attorneys' fees incurred prior to and during the arbitration proceeding) and by the court or courts, including any appellate or review court, in which such matter is tried, heard, or decided, including a court that hears a request to compel or enjoin arbitration or that hears exceptions made to an arbitration award submitted to it for confirmation as a judgment (with respect to attorneys' fees incurred in such proceedings).

Section 7. Claims for Negligent or Defective Construction or Condition. The following alternative dispute resolution procedures shall apply to any claim by the Association or any unit owner against Declarant or its members or managers, or any contractor, subcontractor, supplier, consultant or design professional of every tier performing any work or services in connection with the Condominium, and their agents, brokers, successors, employees, representatives, officers, directors, managers and members, and any of their insurers and reinsurers, related to the

design, construction or condition of the Condominium, including, but not limited to, claims for defective or negligent construction or design or failure to disclose a defective condition.

(a) Initial Dispute Resolution Procedures. In the event of a claim for a construction defect governed by ORS 701.550 to 701.595, the parties shall first comply with the provisions contained therein. In the event the claim is not for a construction defect governed by such provisions, 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 on which the recipient is claimed to be liable for the defect. Compliance with the procedures contained in this Subsection (a) shall be a condition precedent to mediation, arbitration or litigation of any such claims.

(b) Mediation. If the initial dispute resolution proceedings under Section 7(a) above do not resolve the claims, the parties shall then engage in mediation to resolve the claims. The fees of any mediator and the costs of mediation shall be divided and paid equally by the parties. Each party shall pay its own attorney's fees and costs in connection with any mediation. Completion of the mediation process under this subsection shall be a condition precedent to the filing of any arbitration or litigation proceedings or any claims relating to the matter with the Oregon Construction Contractors Board, and the Association and unit owners waive any right to file any such claims if the Association and unit owners have not fully complied with this Subsection 7(b).

(1) Within 60 days after completion of the proceedings under Section 7(a) above and delivery of a demand for mediation by one or the parties to the other parties, the parties shall agree on a neutral mediator. If the parties are unable to agree on a mediator within that period, upon application of any party, the presiding judge of the Circuit Court of Washington County, Oregon shall designate the mediator.

(2) Within 60 days after delivery of the demand for mediation, the parties shall exchange with each other all inspection and consultant's reports in their possession pertaining to the claims.

(3) The parties shall have 90 days after exchanging reports in which to perform additional inspections. Any additional reports resulting from such inspections shall be furnished to the other parties prior to mediation.

(4) The mediation shall be conducted after completing parts (2) and (3) above, but within 180 days following delivery of the demand for mediation. The mediator may elect to adjourn the mediation to additional sessions if the mediator determines that further sessions would be beneficial in resolving the disputes.

(5) Each party shall send to the mediation a representative with authority to settle the dispute and will attempt in good faith to resolve all disputes in the mediation.

(6) Any settlement agreed on in mediation shall be documented and executed within 60 days following completion of the mediation.

(c) Arbitration: Binding Decision. Subject to the provisions of Section 9 of this Article, all claims that have not been resolved by mediation shall be resolved by arbitration in accordance with Section 8 below. The decision and award of the arbitrator shall be final, binding, and nonappealable.

(d) **Third Parties.** Upon demand by any party, claims between or among the parties and third parties shall be submitted in a single consolidated arbitration. Notwithstanding the provisions of Section 7(c) above, if any claim involves a claim by either party against a third party who is not required to and does not voluntarily agree to submit such claim to arbitration, then either party may elect to have the claim and the third party claim determined by a court of law in a consolidated proceeding, rather than by arbitration. In such case, the parties waive trial by jury and agree that the matter shall be determined by a judge sitting without a jury.

(e) **Attorney's Fees.** In the event of any claim determined by arbitration or by a court of law under Sections 7(c) and (d) above, each party shall bear its own costs, including, without limitation, filing fees, attorney's fees, investigation expenses, consultant's fees and expert's fees. The other costs of arbitration and other court costs shall be divided and paid equally by the parties. To the extent permitted by law, statutory attorney's fees under the Unlawful Trade Practices Act or any other applicable statute are hereby waived.

(f) **Confidentiality.** The parties shall keep all discussions of disputes, settlement and arbitration awards and decisions confidential and shall not disclose any such information, whether directly or indirectly, to any third parties other than their attorneys and consultants, unless compelled to do so by an order of a court of competent jurisdiction. In the event of a breach of this confidentiality obligation, the other party shall be entitled to seek and obtain any and all equitable remedies, including injunctive relief and specific performance, and the breaching party waives any claim or defense that the other party has an adequate remedy at law for any such breach, and such party shall not be required to post any bond or other security in connection with any such equitable relief.

(g) **Time Periods Within Which Claims Must Be Asserted.**

(1) **Statutory Warranty Claims.** A written claim reasonably specifying a breach of the statutory warranty on the unit and the related limited common elements must be delivered to Declarant (or any designee of Declarant specified in any written notice to the Association) before the expiration of such warranty. A written claim reasonably specifying a breach of the statutory warranty on the general common elements must be delivered to Declarant within two years of expiration of such warranty, but the claim must be for a defect existing prior to the expiration of the warranty. An action to enforce the statutory warranty shall not be commenced later than four years after expiration of the warranty.

(2) **Other Claims.** Any other claims under this Section 7, including, without limitation, allegations of property damage or personal injury claims arising out of fungus, spores, or mold, any water intrusion or dampness, or otherwise, regardless of the theory or basis of alleged causation, including but not limited to negligence, professional errors or omissions, strict liability, non-statutory warranty, or breach of contract, must be commenced under Section 7(a) above within 90 days after the date the Association or the unit owner knew or reasonably should have known of facts sufficient to put them on notice of the claim, or if earlier, with respect to the unit and related limited common elements, by no later than the first anniversary of the closing date of the sale of the unit to the first purchaser or, with respect to the general common elements, within 90 days after the date of the turnover meeting described in Article III, Section 4, of these Bylaws. Any arbitration or litigation based upon such claims must be instituted within 90 days after completion of the mediation

proceedings under Subsection 7(b) above, or if shorter, the applicable statute of limitations. Any and all claims not brought within these time periods will be deemed time barred, regardless of when the Association or unit owners actually discovered the alleged basis for the claim.

Section 8. Arbitration. Any arbitration under these Bylaws shall be conducted in the Portland, Oregon, metropolitan area, or such other location as may be agreed upon by the parties, pursuant to the arbitration statutes of the State of Oregon, and any arbitration award may be enforced by any court with jurisdiction. Filing for arbitration shall be treated the same as filing in court for purposes of meeting any applicable statute of limitation or for purposes of filing a notice of pending action (“lis pendens”).

(a) **Selection of Arbitrator.** The arbitration shall be conducted by a single arbitrator selected by mutual agreement of the parties. The arbitrator selected shall be neutral and unbiased, except to the extent that the arbitrator’s prior relationship with any party is fully disclosed and consented to by the other party or parties. If the parties are unable to agree on the arbitrator within 30 days after a party’s demand for arbitration, upon application of any party, the presiding judge of the Circuit Court of Washington County, Oregon, shall designate the arbitrator.

(b) **Consolidated Arbitration.** Upon demand by any party, claims between or among the parties and third parties shall be submitted in a single consolidated arbitration. Notwithstanding the provisions of Section 6(b)(iii) above, if any claim, controversy or dispute involves a claim by either party against a third party who is not required to and does not voluntarily agree to submit such claim to arbitration, then either party may elect to have the matter determined by a court of law in a consolidated proceeding, rather than by arbitration. In such case, the parties hereby waive trial by jury and agree that the matter shall be determined by a judge sitting without a jury.

(c) **Discovery.** The parties to the arbitration shall be entitled to the same discovery that would be available to them in an action in Washington County Circuit Court. The arbitrator shall have all of the authority of the court incidental to such discovery, including without limitation authority to issue orders to produce documents or other materials, to issue orders to appear and submit to deposition, and to impose appropriate sanctions, including without limitation, award against a party for failure to comply with any order.

(d) **Evidence.** The parties to the arbitration may offer such evidence as they desire and shall produce such additional evidence as the arbitrator deems necessary for an understanding and determination of the dispute. The arbitrator shall determine the admissibility of the evidence offered. All evidence shall be taken in the presence of the arbitrator and all of the parties, unless any of the parties is absent, in default, or has waived its right to be present..

Section 9. Other Provisions for Proceedings.

(a) **Survival.** The mediation and arbitration agreements and provisions set forth in the foregoing Sections 6, 7, and 8 shall survive the transfer by any party of its interest or involvement in the Condominium and any unit therein and the termination of the Declaration or these Bylaws, or the Condominium.

(b) **Statutory Notice to Unit Owners.** Prior to The Association instituting any litigation, arbitration, or administrative proceeding to recover damages, the Association shall comply

with ORS 100.490.

(e) Legal Proceedings Not Obligatory. Notwithstanding any implication to the contrary in the foregoing Sections 6, 7, and 8, the Association shall not be required to institute, defend, or intervene in proceedings in its own name or on behalf of two or more unit owners with respect to any cause of action relating to the condominium or more than one unit, and the Board of Director's failure to do so shall not be deemed a breach of fiduciary duty.

(f) Unit Owner Vote Required. Notwithstanding any provision to the contrary in the foregoing Sections 6, 7, 8, and 9, or elsewhere in these Bylaws, and in addition to all requirements set forth in Section 6, 7, and 8 above: except for legal action to collect delinquent assessments or to foreclose liens filed with respect thereto, the Board of Directors shall not institute arbitration, litigation or administrative proceedings against third parties or unit owners unless such action has first been approved by affirmative vote of 75% or more of the unit owners. Such a vote shall take place at a formal gathering of the unit owners and, if reasonably possible, the potential defendant will be given an opportunity to be heard at the formal gathering before the vote is called.

ARTICLE VII

EXPENSES AND ASSESSMENTS

Section 1. Assessments.

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

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

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

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

(b) Except with respect to reserves described in Section 5 of this Article, Declarant may elect to defer commencement of all or part of common expense assessments as to all units in the condominium until the turnover meeting. If Declarant so elects to defer commencement of all or part of common expense assessments, Declarant shall pay as they accrue and be responsible for all or part of the common expenses attributable to the condominium for which assessments have been deferred, until assessments commence for all common expenses. Declarant shall give not less

than ten (10) days written notice to all affected unit owners prior to the commencement of common expense assessments if such a deferral occurs.

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

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

- (a) Expenses of administration.
- (b) Expenses of maintenance, repair or replacement of common elements.
- (c) Expense of periodic inspections of common elements.
- (d) Cost of insurance or bonds obtained in accordance with these Bylaws.
- (e) Cost of funding reserves in accordance with Section 5 of this Article.
- (f) Water and sewer charges.
- (g) Any other items properly chargeable as an expense of the Association or properly assessed against a unit owner or owners as provided herein.
- (h) Any deficit in common expenses for any prior period.
- (i) Any other items agreed upon as common expenses by all unit owners.

Section 4. Annual Budget. The initial budget and estimated assessment (including reserve assessment) shall be determined by Declarant. Thereafter the Board shall from time to time, and at least annually, estimate the expenses to be incurred during the coming year or fiscal period, adopt the annual budget for such year or period, and determine the annual assessment and any special assessments to be paid during such year or period. The budget shall include moneys required to be allocated to the reserve account(s) described below. Within thirty (30) days after adopting the annual budget, the Board shall provide a summary thereof to all unit owners and shall notify the unit owners of the annual and special assessments and when such assessments are due and payable. Account shall be taken of any expected income and any surplus available from the prior year's operations. The budget may provide for reserves for working capital and unexpected contingencies. If any sums estimated and budgeted for any purpose prove inadequate for any reason (including a unit owner's failure to pay assessments for any reason) the Board may at any time levy a further assessment.

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

Elements.

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

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

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

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

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

(f) After the turnover meeting, if the Board of Directors has adopted a resolution (which may be an annual continuing resolution) authorizing the borrowing of funds, the Board may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet unexpected increases in expenses. Not later than the adoption of the budget for the following year, the Board shall adopt by resolution a written payment plan providing for repayment

of the borrowed funds within a reasonable period. Restrictions on the use of the reserve account do not prohibit its prudent investment subject to any constraints on investment of Association funds imposed by rules of the Association.

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

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

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

(b) If capital improvements to the common elements are authorized pursuant to Article VI, Section 2, of the Bylaws, the Board of Directors may establish separate assessments for such capital improvements (as opposed to increasing the regular assessments for common expenses) and maintain the proceeds from such assessments in separate accounts.

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

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

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

Section 10. Association's Lien Against Unit. Whenever the Association levies any assessment against a unit, the Association shall have a lien upon the individual unit and undivided interest in the common elements appertaining to such unit for any unpaid assessments. The lien includes interest, late charges, attorney fees, costs or other amount levied under the Declaration or Bylaws. The Association shall record a notice of claim of lien for assessments in the deed records of Washington County before any suit to foreclose may proceed; the cost of preparing

and recording the lien shall be assessed against the delinquent unit owner as an individual assessment. The notice of claim of lien shall comply with ORS 100.450, as the same may be amended. The cost of preparing and recording the "notice of claim of lien" (including the legal fees, and recording fees) shall be assessed as an individual assessment against the unit owner and the unit.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII

COLLECTION OF ASSESSMENTS; ENFORCEMENT

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

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

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

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

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

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

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

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

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

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

The costs of filing the legal action, the legal fees, and all other reasonable expenses of initiating, prosecuting, and completing the legal action and collecting the subsequent judgment shall be assessed as an individual assessment against the unit owner and the unit.

Section 8. Attorney's Fees. In any suit or action brought by the Association or the Declarant to foreclose its lien, collect delinquent assessments, or to enforce compliance with the terms and provisions of the Act, the Declaration or Bylaws, all amendments or supplements thereto, or any rules or regulations adopted thereunder, the prevailing party shall be entitled to recover reasonable attorney fees therein and in any appeal therefrom. The Board shall be entitled to assess the delinquent unit owner, as an individual assessment, an amount equal to the actual attorney's fees the Board has incurred in collecting or attempting to collect delinquent assessments, whether or not suit or action is filed. The Board may, but shall not be obligated to, provide the delinquent unit owner with written notice of the amount of attorney's fees that have been incurred from time to time.

ARTICLE IX

MAINTENANCE AND USE OF CONDOMINIUM PROPERTY

Section 1. Maintenance and Repair.

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

(b) Each unit owner shall repair, maintain, or replace as necessary the electric sockets, outlets, and service panel serving the unit, and the glazing and screening of exterior windows and exterior doors, interior windows and interior doors, and any plumbing, heating or air conditioning fixtures, telephones, water heaters, fans, lighting fixtures and lamps, refrigerators, dishwashers, ranges, ovens, washers, dryers, or other appliances and accessories that may be in or connected with his unit; regardless of whether such items are located in or designated as common elements; provided, however, that the Association shall be responsible for exterior caulking and sealing around the exterior doors and windows as a common expense.

(c) Each unit owner shall maintain and repair, in reasonably good and attractive condition, and replace as necessary, the second floor deck and patio assigned to the unit as limited common elements. Each unit owner shall maintain the porch (as well as the front steps) and the driveway assigned to his unit as a limited common element in a reasonably clean, safe, and sanitary condition; each unit owner shall promptly remove any oil, grease, or similar substance from such limited common elements; the Association shall otherwise maintain, repair and replace as necessary the porches, front steps, and driveways. Each unit owner shall keep the yard assigned to his unit as a limited common element reasonably attractive and reasonably free of weeds, dead foliage, tall grass, debris, and odorous materials. Such unit owner may plant grass, flowers, and shrubs, so long as such plantings or planted items do not (and will not) exceed the height of four feet or the height of the fence around the yard (whichever is greater); such unit owner shall not plant additional trees in the yard unless the Board of Directors gives its prior written consent. Such unit owner may modify or remove any existing patio or deck located in the yard and/or construct (and modify from time to time) a patio, deck, or similar improvement within the yard; provided, however, that prior to constructing or modifying any patio, deck, or similar structure in the yard, such unit owner shall first obtain the written approval of the Board as to location, design (including height), and color; the Board shall not unreasonably withhold approval. Such unit owner shall maintain, repair, and replace such patio, deck, or similar improvement in an attractive, safe, and sanitary condition, or shall remove it.

(d) The Association shall maintain and repair in reasonably good and attractive condition, and replace as necessary, the following fencing: the east side yard fence of Unit 1 and Unit 8; the west side yard fence of Unit 7; the south front yard fence of Unit 1 and Unit 14, and the fence along the southern boundary of the roadway. All other fencing around the yards shall be maintained and repaired in reasonably good and attractive condition, and replaced as necessary, by the unit owner whose yard is enclosed by such fencing. If a fence divides two yards, the owners of both units will share in the maintenance, repair and replacement; the Board of Directors will resolve all disputes relating to the shared maintenance, repair and replacement. If a unit owner does not reasonably maintain, repair, or replace a portion of the fencing for which he is responsible, the Board may cause the maintenance, repair or replacement to be done and specially assess such unit owner for the cost.

No unit owner shall change the type, design, or color of the yard fencing without the prior written approval Board of Directors, which approval may be withheld. Unit owners shall be liable for causing damage to any fencing, as provided in Article X, Section 7, of the Bylaws.

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

(f) All other maintenance, repair and replacement to the general and limited common elements shall be made by the Association as a common expense. The Association shall maintain, repair and replace, as necessary, the roadway and sidewalk that is south of the condominium, maintain the filtered manhole at the west end of the condominium, and comply with the storm water management and maintenance plan required by Washington County.

(g) Without limiting the foregoing Subsections (a) through (f), the Association shall comply with the Maintenance Plan with respect to the common elements (except for maintenance, repair, and/or replacement of certain common elements for which the unit owners are responsible as provided above in this Article IX) and shall: (i) inspect the gutters at least twice per year and cause the gutters to be cleaned and repaired as and when needed, (ii) inspect the driveways, walkways and other concrete or asphalt surfaces and building exteriors at least twice per year and cause those exterior surfaces to be pressure washed, sealed or repaired as and when needed, and (iii) inspect the porches and steps, including any flashing, at least twice per year and cause the porches and steps to be sealed, and the and flashing to be repaired, as and when needed, and (iv) inspect the exterior doors and windows, at least twice per year and cause the doors and windows to be re-caulked and re-sealed as needed. If the Association fails to follow the maintenance requirements set forth in the Maintenance Plan and this Subsection (g), then neither the Association nor any unit owner shall have any claim against Declarant or its design professionals , contractors and subcontractors and their consultants, including without limitation, all of their officers, members, managers, directors, employees, agents and brokers, for loss or damage to the extent that they result from such failure to follow the Maintenance Plan and the requirements of this Subsection (g), and shall indemnify such persons and entities from and against claims by unit owners or other persons or entities for loss or damage resulting from such failure.

(h) Without limiting the foregoing Subsections (a), (b), and (c), the unit owners shall comply with the Maintenance Plan with respect to the unit and with respect to the limited common elements assigned to his unit, except for such maintenance, repair, and replacement of some limited common elements for which the Association is responsible as provided above in this Article IX. If the unit owner fails to follow the maintenance requirements set forth in the Maintenance Plan and this Subsection (h), then neither the Association nor any unit owner shall have any claim against Declarant or its design professionals , contractors and subcontractors and their consultants, including without limitation, all of their officers, members, managers, directors, employees, agents and brokers, for loss or damage to the extent that they result from such failure to follow the Maintenance Plan and the requirements of this Subsection (h), and the unit owner shall indemnify such persons and entities from and against claims by the unit owner or the Association for loss or damage resulting from such failure.

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

(a) All units shall be used for residential purposes only, except as otherwise provided, and all common elements shall be used in a manner conducive to such purposes.

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

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

(ii) After acquiring an adjoining unit or an adjoining part of an adjoining unit, may submit a written request to the Board of Directors for permission to remove or alter any intervening partition or to create apertures therein, even if the partition in whole or in part is a common element. The Board of Directors shall approve the change unless it determines within forty-five (45) days that the proposed change will impair the structural integrity or mechanical systems of the condominium or lessen the support of any portion of the condominium. The Board of Directors may require the unit owner, at his own expense, to submit an opinion of a registered architect or registered professional engineer that the proposed change will not impair the structural integrity or mechanical systems of the condominium or lessen the support of any portion of the condominium.

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

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

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

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

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

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

such owner's garage except on the day that trash and recycling are picked up.

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

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

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

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

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

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

(k) A unit owner may park one vehicle (which may be either an automobile or light truck) on the limited common element driveway assigned or reserved to his unit as a limited common element. The vehicle must have valid registration and be in operable condition. No person shall park any vehicle or place any other equipment or item in the "turnaround" between the buildings of the condominium.

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

Section 6. Leasing and Rental of Units. Any unit owner who wishes to lease or rent his unit is subject to each of the following requirements, and the lease or rental agreement will be

subject to these requirements whether or not they are included within the lease or rental agreement:

(a) The maximum number of units in the condominium that may be occupied by tenants, at any given time, is three. For as long as a unit owner resides in the unit with a non-owner or non-owners, the unit owner shall not be deemed to be renting his unit, nor shall the unit be deemed to be occupied by tenants, even if the non-owners pay rent or other compensation for living in the unit with the unit owner.

(b) Prior to entering into any lease or rental agreement, a unit owner shall notify the Board of Directors of his intent to rent his unit, the name and address of the proposed tenant, and the circumstances of the proposed lease or rental agreement. Within fifteen days of such notification, the Board will advise the unit owner if such proposed tenancy will exceed the restriction set forth in subsection (a) above and, if so, will advise the unit owner that he will be placed on a waiting list and notified when such owner's unit may be leased. Once a unit owner is notified that his unit may be leased, such owner must, within one month from the date of such notice, enter into a lease or rental agreement. If such unit owner has not done so within the required time period, that unit owner shall be placed at the end of the waiting list and the next unit owner on the waiting list shall be notified of an open position. A unit owner who receives permission from the Board that he is permitted to lease his unit shall be permitted to continue to rent such unit at the expiration/termination of each tenancy, provided that, if for any period exceeding 30 days, the unit becomes owner occupied, the unit owner shall no longer be allowed to lease or rent the unit and must reapply to the Board. "Owner occupied" shall mean anytime during which the unit is occupied by the owners, the owner's spouse, children and/or secondary parents as their primary or secondary residence and no rent is charged such occupants.

(c) Each unit owner shall provide a copy of the Declaration, the Bylaws, and all rules and regulations of the Association to each tenant of his unit. By becoming a tenant, each tenant agrees to be bound by the Declaration, the Bylaws, and the rules and regulations of the Association, and recognizes and accepts the right and power of the Association to evict a tenant for any violation by the tenant of the Declaration, the Bylaws, and rules and regulations of the Association. The lease or rental agreement shall contain the foregoing sentence.

(d) All leases and rentals must be in writing and must comply with each provision of this Section 6. The lease or rental must be for the entire unit and not merely parts of the unit. In a rented unit, occupancy shall be limited to the lessees, their household members, visitors, and guests. The unit owner promptly shall provide a fully executed copy of the initial lease or rental agreement and any renewal of subsequent lease or rental agreement, with all amendments thereto, to the Board of Directors.

(e) If a unit owner fails to give notice to the Board of Directors of his intent to lease or rent such owner's unit, and thereafter leases or rents the unit, then at any time after receiving knowledge of a tenancy, the Board may assess such owner an administrative fee as determined from time to time by Board resolution, after complying with ORS 100.405(4)(k). The purpose of the fee is to reimburse and/or compensate the manager, directors, and/or officers for time, costs and expenses incurred to obtain information about the tenant and provide the tenant with copies of the Declaration, Bylaws, and rules and regulations. The Board may also levy a reasonable monthly fine against the unit owner, after complying with ORS 100.405(4)(k), for violation of the Bylaws and/or rules and regulations adopted by the Board. Notwithstanding assessment of a fee or levy of a fine, the Association shall not bar or limit the Association from taking other action, including filing legal action to remove the tenant as provided in Subsection (f) below.

(f) If the tenancy violates subsection (a) above, or if the tenant is in violation of the provisions of the Declaration, Bylaws, or rules and regulations, the Association may bring an action in its own name and/or in the name of the unit owner to have the tenant evicted or to recover damages, or both. If the court finds that the tenant is violating, or has violated any of the provisions of the Declaration, Bylaws, or the rules and regulations of the Association, the court may find the tenant guilty of an unlawful detainer notwithstanding the fact that the unit owner is not the plaintiff in the action of that the tenant is not otherwise in violation of the tenant's lease or rental agreement. The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies that the Association may have. The Association shall have the right to assess the unit owner for all costs associated with the legal action, including court costs and attorney's fees incurred in prosecuting the legal action or actions. In addition, the Board may assess such owner an administrative fee, as determined from time to time by Board resolution, after complying with ORS 100.405(4)(k). The purpose of the fee is to reimburse and/or compensate the manager, directors and/or officers for time, costs, and expenses incurred in connection with the legal action.

(g) Notwithstanding the Association's rights in Subsection (f) above, the Association shall give the tenant and the unit owner notice in writing of the nature of the violation if the tenant is in violation of the provisions of the Declaration, Bylaws, or rules and regulations, and 20 days from the mailing of the notice in which to cure the violation, before the Association may file for eviction.

(h) Nothing in this Section 6 shall alter other provisions of the Declaration or Bylaws with respect to tenants or occupants of units, including without limitation the provisions of Article X, Section 7, of these Bylaws.

ARTICLE X

INSURANCE AND BONDS

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

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

(b) Liability Coverage. A comprehensive policy or policies insuring the

Association, the unit owners individually, the Board of Directors, officers, and the manager, if any, against liability to the public, the unit owners, and their invitees or tenants, incident to the ownership, supervision, control or use of the property. There may be excluded from the policy required under this paragraph, coverage of a unit owner, other than coverage as a member of the Association or Board of Directors, for liability arising out of acts or omissions of that unit owner and liability incident to the ownership or use of the part of the property as to which that unit owner has the exclusive use or occupancy. Liability insurance required under this paragraph shall be issued on a comprehensive liability basis and shall provide a cross liability endorsement providing that the rights of a named insured under the policy shall not prejudice any action against another named insured. Limits of liability under such insurance policy shall not be less than One Million Dollars (\$1,000,000) on a combined single limit basis.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE XI

DAMAGE AND DESTRUCTION

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

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

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

(a) The property shall be deemed to be owned in common by all the unit owners;

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

(i) Agreement of all unit owners; or

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

(c) All costs and expenses incurred under this Section shall be common expenses.

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

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

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

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

ARTICLE XII
CONDEMNATION

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

ARTICLE XIII
AMENDMENTS TO BYLAWS

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

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

(2) Declarant's written consent to any amendment shall be required until the earlier of the following dates: (a) five (5) years from the date the Declaration was recorded, or (b) the date on which seventy-five percent (75%) of the units have been conveyed to persons other than Declarant. In addition, any amendment that would limit or diminish any special Declarant rights established in these Bylaws shall require Declarant's written consent; and any amendment to Article III, Section 8, Article IV Sections 7, 8, or 9, Article VI, Sections 1, 7, or 8, or Article IX Section 1(g) or (h), or this Article XIII, Section (2) shall require the written consent of Declarant for a period of 10 years following the recordation of the Declaration.

An amendment is not effective unless the amendment is certified by the chairperson and secretary of the Association as being adopted in accordance with the Bylaws and ORS 100.410, is acknowledged in the manner provided for acknowledgment of instruments, and is recorded in Washington County records. Prior to the recordation of such amendment, the Association will submit the proposed amended bylaws or amendment to a bylaw to the Oregon State Real Estate Commissioner for approval in accordance with the Act. If the amended Bylaws or amendment to a bylaw is not recorded within 2 years from the date of approval by the Commissioner, the approval expires and the amended bylaw must be resubmitted for approval as provided in this section. The Commissioner's approval is not required for an amendment to the Bylaws adopted five

(5) years after the Bylaws are initially recorded.

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

ARTICLE XIV

LIABILITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS

A member of the Board of directors or an officer of the Association shall not be liable to the Association, any unit owner or any third party for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties as long as the individual acted in good faith, believed that the conduct was in the best interest of the Association, or at least was not opposed to its best interest, and in the case of criminal proceedings, had no reason to believe the conduct was unlawful. A director appointed under Article IV, Section 2, of these Bylaws or acting under ORS 100.200, as well as any officer appointed or elected by such director shall not be liable to the Association, any unit owner or any third party under ORS 65.357 through 65.361, ORS 100.417 or associated rules of common law for any damage, loss or prejudice suffered or claimed on account of any action or failure to act that represents the exercise of authority established in 11.4 of the Declaration and ORS 100.200, including any action or failure to act requested by Declarant or resulting from any prior or concurrent duty or loyalty owed by such director to Declarant; provided that nothing in this Section limits the liability of Declarant for such actions or failure to act by a director. If any member of the Board of Directors or any officer of the Association is threatened with or made a party to any proceeding because the individual was or is a director or officer of the Association, the Association shall defend the individual against such claims and indemnify the individual against liability and expenses incurred to the maximum extent permitted by law. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe his conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit, or proceeding as and when incurred, subject only to the right of the Association to seek reimbursement of any such payment, should it be proven at a later time that said person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a director or officer shall have a right of contribution over and against all other directors and officers and members of the Association who participated with or benefitted from the acts which created said liability.

ARTICLE XV

MISCELLANEOUS

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

from time to time, in writing, to the Board of Directors, or if no address has been designated, then to the owner's unit.

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

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

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

DATED this 14th day of November, 2008.

Enclave LLC, an Oregon limited liability company

By: [Signature]
Robert M. Law, managing member

State of Oregon)
) ss.
County of Washington)

On this 14th day of November, 2008, before me personally appeared Robert M. Law who, being duly sworn, did say that he is the managing member of Enclave LLC, an Oregon limited liability company, and did further say that he executed the foregoing instrument for and on behalf of said limited liability company, and acknowledged that said instrument is the free act and deed of himself and said limited liability company.

[Signature]
Notary Public for Oregon
My Commission expires: 12-12-12

