AMENDED AND RESTATED BYLAWS

OF

CLUB ESTATES EAST CONDOMINIUM, AN ASSOCIATION OF OWNERS

ARTICLE 1

PLAN OF UNIT OWNERSHIP

These Amended and Restated Bylaws are adopted pursuant to Article 7 of the Amended Bylaws dated April 2, 1982, recorded in book 1624, page 825 Multnomah County deed records as further amended by amendments to the Bylaws dated July 13, 1989, recorded in book 2221, page 462 Multnomah County deed records.

Section 1.1 Unit Ownership. The condominium, located in the City of Portland, County of Multnomah, State of Oregon, and is known as Club Estates East Condominium, An Association of Owners, 12260 SE Main Street, Portland, OR 97233. The condominium is submitted to the provisions of ORS 91.505 to 91.675 now known as ORS 100.005 et seq., the Oregon Condominium Acts pursuant to the declaration for condominium ownership dated June 28, 1982, recorded in book 1624, page 834, Multnomah County deed records.

Section 1.2 Bylaws Applicability. These Amended and Restated Bylaws shall be the Bylaws of the Condominium. The provisions of these Bylaws are applicable to the condominium, the owners' Association, and the entire management structure thereof. (The term "condominium" as used herein shall include a fee simple interest in the land.)

Section 1.3 Personal Application. All present and future owners, guests, invitees and all persons claiming by, through or under any of them shall be personally bound to comply with these Bylaws and each and every rule and regulation including administrative rules and regulations of the Board. The acquisition, occupancy or use of any or all of the common elements shall constitute acceptance and ratification of the Declaration, these Bylaws and the rules and regulations duly adopted by the Board.

Section 1.4 Definitions. Except as otherwise provided below, the terms herein shall have the meaning set forth in the Oregon Condominium Act, ORS 100.005 et seq., as supplemented by the Declaration, and the Act and its definitions are incorporated herein by this reference. "Person" includes an entity, if applicable.

Section 1.5 Additional Definitions. "Unit owner" or "owner" includes any person or entity which is a grantee of purchaser named in a conveyance or contract with respect to a unit. "Association" means Club Estates East Condominium, An Association of Owners. A Unit shall be as defined in the Declaration and encompassed within the exterior finished surface of the building in which units are located.

ARTICLE 2

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

Section 2.1 Membership in the Association.

(a) Upon recordation of a conveyance or contract to convey a unit, the grantee or purchaser named in the conveyance or contract shall automatically be a member of the Association, and shall remain a member of the Association until the person's ownership ceases for any reason. For all purposes of the condominium Declaration ("Declaration"), and the administration of the property, unit ownership shall be determined from the records maintained by the Association. The record shall be established by the unit owner filing with the Association a copy of the deed to or land sale contract for a unit, showing the certificate of the recording officer of Multnomah County, City of Portland, with the date and place of recording of such deed or contract. No person shall be recognized as a unit owner unless a copy of the deed or contract has been filed with the Association as provided above showing the person to be the current owner or contract purchaser of a unit. Notwithstanding the foregoing, each unit must be owned by at least one qualified owner.

(b) Qualified Owner. Each unit must be owned by at least one qualified owner. A "qualified owner" must be at least 55 years of age and must have been approved by the unit owners association as a qualified owners in accordance with these Amended and Restated Bylaws, the declaration, and rules and regulations pursuant to an application submitted to the Board of Directors or its authorized representative. Only a spouse or "domestic partner" may be an owner under the age of 55 years. However, in any event, at least one owner must be a qualified owner as defined above.

Section 2.2 Authority to Vote.

(a) All owners shall be entitled to vote; however, each unit of the condominium shall be entitled to one vote. An owner's right to vote may not be revoked. A purchaser under a land sale contract entitled to immediate possession of the unit shall be deemed the owner thereof, unless otherwise provided in such contract.

(b) The voting rights or consent of a unit owner may be cast or given (1) in person at a meeting of the association of unit owners, (2) in the discretion of the board of directors, by absentee ballot in accordance with section 2.6 of these Bylaws, (3) unless the Declaration or Bylaws provide otherwise pursuant to a proxy in accordance with sections 2.5 and 2.6 of these Bylaws, (4) by written ballot in lieu of a meeting in accordance with section 2.7 of these Bylaws, (5) by any other method specified by the Declaration or Bylaws.

Section 2.3 Majority of Owners. As used in these Bylaws, the term "majority of owners" shall mean those owners holding over 50% of the voting rights allocated to the unit owners in accordance with the Declaration and Section 2.2 above. "Majority of owners present" shall mean owners holding over 50% of the votes present at any legal meeting.

Section 2.4 Quorum.

2.4(a) Except as otherwise provided in these Bylaws, a quorum for any meeting of the association of unit owners consists of the number of persons who are entitled to cast 50% of the voting rights and who are present in person, by proxy or by absentee ballot, if absentee ballots are permitted by the board of directors, at the beginning of the meeting.

2.4(b) The quorum for a subsequent meeting is the greater of: (a) one-half of the quorum required by the Bylaws; or (b) the number of persons who are entitled to cast 20% of the votes of the association of unit owners. The quorum is not reduced under this section unless the meeting is adjourned to a date that is at least 48 hours from the date the original meeting was called or the meeting notice specifies the quorum requirement will be reduced if the meeting cannot be organized because of a lack of a quorum and the reduced quorum requirement.

Section 2.5 Proxies; Ballots. Votes may be cast in person, by proxy, or by written ballot if a ballot meeting. Proxies must be filed with the secretary before or during the appointed meeting. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. Except in the case of the turnover meeting, or an annual meeting of the Association, 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 if called at the request of unit owners as provided in section 3.6 of these Bylaws, if more than a majority of the units are principal residents of the occupants, the board of directors, in its sole discretion, may hold the meeting of the Association by ballot rather than a formal gathering.

(a) A proxy (1) must be dated and signed by the unit owner; (2) is not valid if it is undated or purports to be revocable without notice, and (3) terminates one year after its date unless the proxy specifies a shorter term.

(b) The board of directors may not require that a proxy be on a form prescribed by the board.

Section 2.6 Proxy Voting and Absentee Ballots.

(a) A unit owner may not revoke a proxy given pursuant to these Bylaws except by actual notice of revocation to the person presiding over a meeting of the Association of unit owners or to the Board of Directors if a vote is being conducted by written ballot in lieu of a meeting pursuant to ORS 100.425.

(b) A copy of a proxy in compliance with paragraph (a) of section 2.5 provided to the association by facsimile, electronic mail or other means of electronic communication utilized by the board of directors is valid.

(c) An absentee ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action.

(d) All solicitation for votes by absentee ballot shall include: (1) instructions for delivery of the completed absentee ballot, including the delivery location; and (2)

instructions about whether the ballot may be cancelled if the ballot has been delivered according to the instructions.

(e) An absentee ballot shall be counted as a unit owner present for the purpose of establishing a quorum.

(f) 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: (1) returned the absentee ballot; and (2) cancelled the absentee ballot, if cancellation is permitted in the instructions given under paragraph (d) of this section.

Section 2.7 Written Ballots. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action.

2.7(a) The board of directors must provide owners with at least ten (10) days' notice before written ballots are mailed or otherwise delivered. If, after at least three days before written ballots are scheduled to be mailed or otherwise distributed, at least 10% of the owners petition the board of directors requesting secrecy procedures, subject to paragraph 2.7(c) of this section, a written ballot must be accompanied by:

(1) A secrecy envelope;

(2) A return identification envelope to be signed by the owner; and

(3) Instructions for marking and returning the ballot.

2.7(b) The notice required under paragraph (a) of this section shall state:

(1) The general subject matter of the vote by written ballot;

(2) The right of owners to request secrecy procedures specified in paragraph (a) of this subsection;

(3) The date after which ballots may be distributed;

(4) The date and time by which any petition requesting secrecy procedures must be received by the board; and

(5) The address where any petition must be delivered.

2.7(c) The requirements of paragraph 2.7(a)(1) and (2) of this section do not apply to a written ballot of a unit owner if the consent or approval of that unit owner is required by the Declaration or these Bylaws. Notwithstanding the applicable provisions of paragraphs 2.7(d) and 2.7(e) of this section, written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

2.7(d) Matters that may be voted on by written ballot shall be deemed approved or rejected as follows:

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

(2) If approval of a proposed action otherwise would require a meeting at which a specified percentage of unit owners must authorize the action, the proposal shall be deemed to be approved when the percentage of total votes cast in favor of the proposal equals or exceeds the required percentage. The proposal shall be deemed to be rejected when the number of votes cast in opposition renders approval impossible or when both the date for return of ballots has passed and the required percentage has not been met.

2.7(e) All solicitations for votes by written ballot shall state the following:

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

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

(3) The period during which the association will accept written ballots for accounting in accordance with paragraph 2.7(f) of this section.

2.7(f) The association will accept written ballots for counting, during the period specified in the solicitation under subsection 2.7(e) of this section. Except as provided in paragraph 2.7(g) of this section, the period shall end on the earliest of the following dates:

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

(2) If approval of a proposed action by written ballot requires that a certain percentage of the unit owners approve the proposal, the date on which the association has received a sufficient number of disapproving ballots to render approval impossible; or

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

2.7(g) If the vote is by secrecy procedure under paragraph 2.7(a) of this section, the period shall end on the date specified in the solicitation or any extension under paragraph 2.7(h) of this section.

2.7(h) Except as otherwise provided in the Declaration, the Articles of Incorporation or Bylaws, in the discretion of the board of directors, if a date certain is specified in the solicitation under paragraph 2.7(e) of this section, the period may be extended by written notice of the extension given to all unit owners before the end of the specified date certain.

2.7(i) Except as otherwise provided in the Declaration, Articles of Incorporation or Bylaws, unless the vote is by secrecy procedure under paragraph 2.7(a) of this section, a written ballot may be revoked before the final return date of the ballots.

2.7(j) Unless otherwise prohibited by the Declaration, Articles of Incorporation or Bylaws, the votes may be counted from time to time before the final return date of the ballots to determine whether the proposal has passed or failed by the votes already cast on the date the ballots are counted.

2.7(k) Notwithstanding paragraph 2.7(j) of this section, ballots that are returned in secrecy envelopes may not be examined or counted before the date certain specified in the solicitation or any extension under paragraph 2.7(h) of this section.

Section 2.8 Electronic Ballots. The board of directors of the association, in the board's discretion, may provide that a vote, approval or consent of a unit owner may be given by electronic ballot.

2.8(a) As used in this section, "electronic ballot" means a ballot given by (2) electronic mail; (2) facsimile transmission; (3) posting on a website; or (4) other means of electronic communication acceptable to the board of directors.

2.8(b) An electronic ballot shall comply with the requirements of this section and the Declaration or Bylaws.

2.8(c) An electronic ballot may be accompanied by or contained in an electronic notice.

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

2.8(e) 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.

2.8(f) Unless otherwise provided elsewhere in the Declaration or these Bylaws or rules adopted by the board of directors, a vote by electronic ballot may not be revoked.

2.8(g) If the board of directors elects to use or permit the use of electronic ballots, they shall adopt procedures to ensure (i) compliance with ORS 100.425 if the vote conducted by a 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 the Declaration, Bylaws or other rules adopted by the board require that electronic ballots be secret.

Section 2.9 Fiduciaries and Multiple Owners. 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. Whenever any unit is owned by two or more persons according to the records of the Association, the vote of the unit may be exercised by any one of the owners in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of the unit shall be disregarded completely in determining the proportion of votes given with respect to such matter, unless a valid court order establishes the authority of a co-owner to vote. An entity which is an owner shall vote by its chief executive officer or any person designated by its governing board.

Section 2.10 Actions by Association; Legal Meeting. A valid and accordingly legal meeting is one duly called pursuant to these Bylaws where a quorum is present by person or by proxy at the beginning of the meeting.

2.1(a) Unless the meeting is being held as a ballot meeting, ballots shall not be utilized at such a meeting.

2.1(b) A ballot meeting shall be held only pursuant to the provisions of ORS 100.425, as amended. Any meeting called and action taken at a ballot meeting pursuant to said statute shall be deemed valid.

ARTICLE 3

ADMINISTRATION

Section 3.1 Association Rights and Responsibilities.

3.1(a) The Association of unit owners (Association) shall be an Oregon nonprofit corporation. Membership in the Association shall be limited to unit owners.

3.1(b) The affairs of the Association shall be governed by a board of directors as provided for in these Bylaws.

3.1(c) Subject to the provisions of the Declaration and these Bylaws, the Association may:

(1) Adopt and amend Bylaws and rules and regulations;

(2) Adopt and amend budgets for revenues, expenditures and reserves and levy and collect assessments for common expenses from unit owners;

(3) Hire and terminate managing agents and other employees, agents and independent contractors;

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

(5) Subject to paragraph 3.1(j) of this section, initiate or intervene in litigation or administrative proceedings in its own name, and without joining the individual unit owners, in the following:

(A) Matters relating to the collection of assessments and the enforcement of Declarations and Bylaws;

(B) Matters arising out of contracts to which the association is a party;

(C) Actions seeking equitable or other nonmonetary relief regarding matters that affect the common interests of the unit owners, including but not limited to the abatement of nuisance;

(D) Matters relating to or affecting common elements, including but not limited to actions for damage, destruction, impairment or loss of use of any common element;

(E) Matters relating to or affecting the units or interests of unit owners including but not limited to damage, destruction, impairment or loss of use of a unit or portion thereof, if:

(i) Resulting from a nuisance or a defect in or damage to a common element; or

(ii) Required to facilitate repair to any common element; and

(F) Any other matter to which the association has standing under law or pursuant to the Declaration, Bylaws or any articles of incorporation;

(6) Make contracts and incur liabilities;

(7) Regulate the use, maintenance, repair, replacement and modification of common elements;

(8) Cause additional improvement to be made as a part of the common elements;

(9) Acquire by purchase, lease, devise, gift or voluntary grant real or personal property or any interest therein and take, hold, possess and dispose of real or personal property or any interest therein;

(10) Impose and receive any payments, fees or charges for the use, rental or operation of the common elements;

(11) Impose charges for late payments of assessments, attorney fees for collection of assessments 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 is based:

(A) On a schedule contained in the Declaration or Bylaws, or an amendment to either that is delivered to each unit, mailed to the mailing address of each unit or mailed to the mailing addresses designated in writing by the owners; or

(B) On a resolution adopted by the board of directors or the association that is delivered to each unit, mailed to the mailing address of each unit or mailed to the mailing addresses designated by the owners in writing;

(12) Adopt rules regarding the termination of utility services paid for out of assessments of the association and access to and use of recreational and service facilities available to unit owners that must provide for written notice and an opportunity to be heard, before the association may terminate the rights of any owners to receive such benefits for services until the correction of any violation covered by the rule has occurred; and, after giving written notice and an opportunity to be heard, terminate the rights of any owners to receive such benefits or services until the correction of any violation covered by such rule has occurred;

(13) Impose reasonable charges for the preparation and recordation of amendments to the Declaration or statements of assessments;

(14) Assign its right to future income, including the right to receive common expense assessments;

(15) Provide for the indemnification of its officers and executive board, as may be limited by ORS 61.218(3)(d) and maintain directors' and officers' liability insurance;

(16) Exercise any other powers conferred by the Declaration or Bylaws;

(17) Exercise all other powers that may be exercised in this state by any such association; and

(18) Exercise any other powers determined by the association to be necessary and proper for the governance and operation of the association.

3.1(d) Subject to paragraph 3.1(e) of this section, unless expressly limited or prohibited by the Declaration, the association has the authority to grant, execute, acknowledge, deliver and record on behalf of the unit owners leases, easements, rights of way, licenses and other similar interests affecting the general common elements and consent to vacation of roadways within and adjacent to the condominium.

3.1(e) (1) Except as provided in subparagraph (2) of this paragraph, the granting of a lease, easement, right of way, license or other similar interest pursuant to paragraph

3.1(d) of this section shall be first approved by at least 75 percent of owners. Unit owner approval may be solicited by any means the board of directors determines is reasonable and need not be at a meeting of the association.

(2) Unless the Declaration otherwise provides:

(A) The granting of a lease, easement, right of way, license or other similar interest affecting the general common elements for a term of two years or less shall require the approval of a majority of the board of directors.

(B) The granting of a lease, easement, license or other similar interest to an owner for the exclusive use of a part of the general common elements to which the owner's unit provides primary access requires the approval of a majority of the board of directors. If the approval by the board of directors includes the right of the owner to make improvements to the general common elements to which the owner is being granted exclusive use, ORS 100.535 applies to the general common elements to the same extent that ORS 100.535 applies to a unit, including the right of the board under ORS 100.535 to require an owner, at owner's expense, to submit an opinion of a registered architect or registered professional engineer that the proposed improvement will not impair the structural integrity or mechanical systems of the condominium.

(3) The consent to vacation of roadways within and adjacent to the condominium must be approved first by at least a majority of unit owners present voting in person or by proxy at a duly constituted meeting of the association called for that purpose.

3.1(f) The instruction granting an interest or consent pursuant to paragraph 3.1(d) of this section shall be executed by the president and secretary of the association and acknowledged in the manner provided for acknowledgment of such instruments by such officers and shall state that such grant or consent was approved, if appropriate, by at least the percent of owners required under paragraph 3.1(e) of this section.

3.1(g) Unless expressly prohibited by the Declaration, any action permitted under paragraph **3.1(d)** and **3.1(e)** of this section regarding a general common elements may be taken with respect to any limited common elements, provided that the owner of the unit to which the use of the limited common element is reserved and the holder of any mortgage or trust deed affecting the unit consent to the action and also execute an instrument as provided under paragraph 3.1(f) of this section.

3.1(h) Except as otherwise provided in the association's Declaration or Bylaws, the board of directors of the association may modify, close, remove, eliminate or discontinue the use of a general common element facility or improvement or portion of the common element landscaping, regardless of whether such facility, improvement or landscaping is mentioned in the Declaration or shown on the plat provided that:

(1) Nothing in this subsection shall be construed as limiting the authority

of the board of directors, in its discretion, to seek approval of such modification, closure, removal, elimination or discontinuance by the unit owners; and

(2) Modification, closure, removal, elimination or discontinuance other than on a temporary basis of any swimming pool, spa or recreation or community building must be approved by at least a majority of the unit owners voting on such matter at a meeting or by written ballot held in accordance with the Declaration, Bylaws or ORS 100.425.

3.1(i) (1) 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. An instrument recorded under this subsection shall:

(A) Include the name of the condominium and a reference to where the Declaration and any applicable supplemental Declarations are recorded;

(B) Identify, by the designations stated in the Declaration or applicable supplemental Declaration, all affected units and common elements;

(C) Include such other information and signatures as may be required by law, under the Declaration or Bylaws or as the board of directors may desire; and

(D) Be executed by the president and secretary of the association and acknowledged in the manner provided for acknowledgment of such instruments by the officers.

(2) The board of directors may record an amendment, modification, termination or other instrument relating to the permit or authorization described in this subsection. Any such instrument shall include a reference to the location of the recorded instrument and be executed by the president and secretary of the association and acknowledged in the manner provided for acknowledgment of such instruments.

3.1(j) (1) Subject to subsection (6) of this paragraph, before initiating litigation or an administrative proceeding in which the association and an owner have an adversarial relationship, the party that intends to initiate litigation or an administrative proceeding shall offer to use any dispute resolution program available within the county in which the condominium is located that is in substantial compliance with the standards and guidelines adopted under ORS 36.175. The written offer must be hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the association, for the other party.

(2) If the party receiving the offer does not accept the offer within 10 days after receipt by written notice hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the association, for the other party, the initiating party may commence the litigation or the administrative

proceeding. The notice of acceptance of the offer to participate in the program must contain the name, address and telephone number of the body administering the dispute resolution program.

(3) If a qualified dispute resolution program exists within the county in which the condominium is located and an offer to use the program is not made as required under paragraph 3.1(j) of this subsection, litigation or an administrative proceeding may be stayed for 30 days upon a motion of the non-initiating party. If the litigation or administrative action is stayed under this paragraph, both parties shall participate in the dispute resolution process.

(4) Unless a stay has been granted under paragraph 3 of this subsection, if the dispute resolution process is not completed within 30 days after receipt of the initial offer, the initiating party may commence litigation or an administrative proceeding without regard to whether the dispute resolution is completed.

(5) Once made, the decision of the court or administrative body arising from litigation or an administrative proceeding may not be set aside on the grounds that an offer to use a dispute resolution program was not made.

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

Section 3.2 Place of Meetings. Formal meetings of the Association shall be held at the principal office of the condominium or such other suitable place convenient to the owners as may be designated by the board of directors. The vote of a ballot meeting shall be determined by the board of directors within 48 hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within 48 hours of the postponed date. Each unit owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned, within 10 days after the ballots have been counted.

Section 3.3 Annual Meetings. The annual meeting of the Association shall be held on a date, time, and place set by the board of directors. The Notice shall be as provided in Section 3.7. The Annual Meeting may be changed from time to time, at the discretion of the board of directors, but must be held annually in the manner set out in these Bylaws. At each Annual Meeting, new members of the board of directors shall be elected by the owners in accordance with the requirements of Section 4.5 and 4.6 of these Bylaws, to replace those directors whose terms have expired. The owners may also transact such other business of the Association as may properly come before them.

Section 3.4 Special Meetings. Special meetings of the Association may be called by the president of the board of directors, by a majority of the board of directors or by the president or secretary upon receipt of a written request of not less than 20% of the unit owners. Any unit owner's request for a meeting shall be delivered to either the president or the secretary or any member of the board of directors. All meetings called because of the petition of unit owners shall be held at a formal in-person gathering and not by ballot. The notice of the meeting shall be in conformity with Article 3, Section 3.7. No business including removal of a director shall be

transacted at a special meeting except as stated in the notice of the meeting and in the agenda for the meeting excepting only by the consent of the entire voting power of the Association or as otherwise explicitly set out in these Bylaws.

3.4(a) If the unit owners request a special meeting under subsection (a) of this section and the notice is not given within 30 days after the date the written request is delivered to the president or the secretary, a unit owner who signed the request may set the time and place of the meeting and give notice as provided in Section 3.7 below.

Section 3.5 Notice of Meetings. Not less than 10 nor more than 50 days before any meeting called under this Section, the secretary or other officer of the Association specified in the Bylaws shall cause notice to be hand delivered or mailed to the mailing address of each unit owner or to the mailing address designated in writing by the unit owner, and to all mortgagees that have requested the notice. Mortgagees may designate a representative to attend a meeting called under this Section. The notice shall state 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. In the case of a ballot meeting, it shall likewise be the duty of the secretary or other officer of the Association to include with the notice an appropriate form of written ballot. The notice of meeting and the ballot in the case of a ballot meeting shall be mailed or hand delivered not less than 21 days before the date the ballots must be received by the Association in order to be considered in connection with a quorum and to be counted. If unit ownership is split or the unit has been sold on a contract, notice shall be sent to a single address, of which the secretary has been notified in writing by such parties. If no address has been given the secretary in writing, then mailing to the condominium unit shall be sufficient. The mailing of a notice in the manner provided in this Section shall be considered as notice duly given.

Section 3.6 Adjourned Meetings. If any gathering of owners is not a legal meeting because a quorum has not attended, a majority of the owners who are present, either in person or by proxy, may by resolution, adjourn the meeting to a time and place certain, not less than 48 hours nor more than 20 days from the time the original meeting was called. The board of directors may postpone the date for counting the ballots of a ballot meeting, in one or more postponements, for up to 90 days after the originally scheduled ballot return date if a quorum of ballots has not been returned and/or for matters on which a certain percentage approval is required and that vote has not been received nor have sufficient votes in opposition been received to negate such approval.

Section 3.7 Order of Business. The proceedings at all meetings of the board and of the owners shall be in accordance with Roberts Rules of Order, latest edition and as follows, unless the board sets a different agenda:

3.7(a) Roll call.
3.7(b) Proof of notice of meeting or waiver of notice.
3.7(c) Reading of minutes of the preceding meeting.
3.7(d) Reports of officers.
3.7(e) Reports of committees.
3.7(f) Election of inspectors of election.
3.7(g) Election of directors.
3.7(h) Unfinished business.
3.7(i) New business.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1 Number and Qualification. The affairs of the Association shall be governed by a board of directors composed of five (5) persons, each of whom must be a unit owner or the co-owner of a unit, however, spouses may not serve concurrently on the board of directors. An officer or employee of an entity, or the trustee of a trust, or personal representative of an estate, or an employee of the trust or estate may serve on the board of directors, if the entity, trust, or estate owns a unit.

Section 4.2 Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the owners.

Section 4.3 Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the association, the board of directors shall have authority to implement and enforce the provisions of the Declaration of the condominium, these Bylaws, all rules and regulations adopted pursuant to these Bylaws, the Oregon Condominium Act and the Oregon Non-Profit Corporations Law and to carry out and be responsible for the following matters:

4.3(a) Care, upkeep, repair, replacement, maintenance and supervision of the condominium project including the land, landscape and the general and limited common elements, and other property of the Association. To assign, supervise assignments, approve or cancel any assignment of the use of any general or limited common element, as may be required by the Declaration. To perform repairs to or within any unit and to perform any unit owner's repair responsibilities as set forth in the Declaration and these Bylaws in the event such unit owner fails or refuses so to do after not less than ten (10) days written notice of the need for unit repairs is given to the applicable unit owner. To make payment for all of said care, upkeep, repairs, replacement, maintenance and supervision and to allocate the costs thereof as otherwise provided in the Declaration and these Bylaws.

4.3(b) Conducting the reserve study and preparing a written report thereof on at least an annual basis and establishing and maintaining replacement reserve accounts and other reserves that are required to be maintained by the Oregon Condominium Act or these Bylaws and such other reserve accounts as are permitted by these Bylaws.

4.3(c) Designation and collection of monthly and other assessments from the owners, in accordance with these Bylaws, the Declaration, and the Oregon Condominium Act.

4.3(d) Establishing a budget for payment of all common expenses of the Association and institution and maintenance of a system for such payment as may be reasonably necessary to prevent any misuse of Association funds. All checks, payments of Association funds and vouchers for payment shall be approved by one Board member and the Treasurer.

4.3(e) Obtaining, annual review of and the maintenance of such insurance policies and payment of premiums therefore out of the common expense funds in respect to the

Association and both the common elements and individual units as more specifically provided in Article 8 of these Bylaws.

4.3(f) Designation and dismissal of the personnel necessary for the maintenance and operation of the condominium, the general common elements, and the limited common elements, if any.

4.3(g) Causing the preparation and distribution of annual financial statements of the condominium to each of the unit owners as more specifically provided in Article 12 of these Bylaws.

4.3(h) Adoption and amendment of administrative or other rules and regulations governing the details of operation and use of the common elements; provided, however, any such rules or regulations shall always be subject to rescission or amendment by the Association upon majority vote of owners present at any properly called meeting at which a quorum is present.

4.3(i) Causing the Association to comply with ORS 100.480 relating to maintenance of documents delivered to the Association and maintenance and distribution of financial statements. Also to maintain copies suitable for duplication of the following: Declaration, Bylaws, Association rules and regulations and any amendments thereto, the most recent annual financial statement, and the current operating budget of the Association.

4.3(j) Cause the filing of all necessary income tax returns of the Association.

4.3(k) To conduct such litigation as is allowed by the Oregon Condominium Act including ORS 100.405(4)(e)(E) provided that the Association gives written notice to each affected owner of the Association's intent to seek damages on behalf of the Owner as required by Statute.

Section 4.4 Management Agent. The board of directors may employ a management 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 listed in Section 4.3 of this Article.

Section 4.5 Election and Term of Office. Each director shall hold office for a period of three (3) years. The term of each director shall continue for the staggered term of the prior director to whom the elected director is succeeding. The director shall hold office until their successors have been duly elected. Directors may be elected for successive terms.

Section 4.6 Vacancies. Vacancies on the board of directors caused by any reason other than the removal of a director by a vote of the Association shall be filled for the balance of the term of each directorship by vote of a majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected upon expiration of the term for which the person was elected by the other directors to serve.

4.6(a) Subject to subsection (b) of this section, if the association fails to fill vacancies on the board of directors sufficient to constitute a quorum in accordance with these Bylaws, a unit owner or a first mortgagee of a unit may request the Circuit Court of

a county in which the condominium is located to appoint a receiver under ORCP 80 to manage the affairs of the association.

4.6(b) At least 45 days before a unit owner or first mortgagee of a unit requests the Circuit Court to appoint a receiver under subsection (a) of this section, the 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.

4.6(c) The notice shall be signed by the unit owner or first mortgagee of the unit and include (1) a description of the intended action, (2) a statement that the intended action is pursuant to this section, (3) the date, not less than thirty days after mailing of the notice, by which the association must fill vacancies on the board sufficient to constitute a quorum, (4) a statement that if the association fails to fill vacancies on the board by the specified date, the unit owner or first mortgagee may file a petition with the court under subsection (a) of this section; (5) a statement that if a receiver is appointed, all expenses of the receivership will be common expenses of the association as provided in subsection (d) of this section.

4.6(d) 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.

4.6(e) A receiver appointed under this section has all 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.

4.6(f) If at a meeting held in accordance section 3.3 of these Bylaws the unit owners fail to elect the number of directors sufficient to constitute a quorum of the board of directors, in addition to the notice requirements specified in subsections (b) and (c) of this section, a unit owner shall give the notice to all other unit owners as provided in the Bylaws.

4.6(g) Notwithstanding subsections (b) and (c) of this section, in the event of an emergency, the court may waive the notice requirements of subsections (b) and (c) of this section.

Section 4.7 Removal of Directors. At any legal annual or special meeting, other than a meeting by ballot, any one or more of the directors may be removed, with or without cause, by a majority vote and a successor may be then and there elected to fill the vacancy thus created. No removal of a member of the board of directors is effective unless the matter of removal is an item on the agenda and stated in the notice for the meeting. Any director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting. Any director who fails to attend three successive meetings of the board of directors which have been properly called, or who has failed to attend more than one-third of the board of directors meetings during a 12-month period which have been properly called, may be removed by a majority of the remaining directors.

Section 4.8 Regular Meetings. Regular meetings of the board of directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings of the board of directors may be called by the president on three days' notice to each director, given personally or by mail, telephone, electronic means, or other similarly reliable method, which notice shall state the time, place (as herein above provided), and purpose of the meeting.

Section 4.9 Special Meetings. Special meetings of the board of directors may be called by the president or secretary or on the written request of at least one director. Special meetings of the board of directors may be called on three days' notice to each director, given personally or by mail, telephone, or electronic means, which notice shall state the time, place (as herein above provided), and purpose of the meeting.

Section 4.10 Waiver of Notice to Directors. 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 or her or her of the time and place thereof . If all the directors are present at any meeting of the board, no notice to directors shall be required and any business may be transacted at such meeting.

Section 4.11 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 that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.12 Board of Directors Meetings Open to All Association Members. Except discretionary matters requiring private meetings as provided in ORS 100.420, as amended, all meetings of the board of directors shall be open to all members of the Association. No Association member shall have a right to participate in the board of directors meetings unless the member is also a member of the board of directors. The president shall have authority to exclude any Association member who disrupts the proceedings at a meeting of the board of directors.

Section 4.13 Notice to Association Members of Board of Directors Meetings. For other than emergency meetings, notice of board of directors meetings shall be posted at a place on the condominium property at least three days prior to the meeting or notice shall otherwise be provided to each member of the Association in a form reasonably calculated to inform each member of such meetings. The posting of the notices shall be at a reasonable location which has been generally publicized to the unit owners.

Section 4.14 Telephonic or Electronic Meetings. Unless a majority of the units are the principal residences of the occupants, regular meetings of the board may be held telephonically by means of a "conference call" in which each director may speak with any of the other directors or by an electronic meeting such as a zoom or similar meeting. The directors shall keep telephone numbers and email addresses on file with the president to be used for telephonic meetings or electronic meetings. No notice to either directors or Association members shall be required for a telephonic meeting or electronic meeting of the board of directors to be held for any emergency action; provided, however, that no such telephonic meeting shall occur unless at least 75% of the

board of directors participate in the same and after a reasonable attempt has been made to contact each director at the telephone number or email address maintained on file with the board of directors for such purpose.

Section 4.15 Compensation of Directors. No director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by vote of the unit owners.

Section 4.16(a) Executive Sessions. All meetings of the board of directors of the association of unit owners shall be open to unit owners except that, in the discretion of the board, the following matters may be considered in executive session:

(1) Consultation with legal counsel concerning the rights and duties of the association regarding existing or potential litigation, or criminal matters;

(2) Personnel matters, including salary, negotiations and employee discipline;

(3) Negotiation of contracts with third parties; and

(4) Collection of unpaid assessments.

4.16(b) If the board of directors votes to meet in executive session, the presiding officer of the board shall state the general nature of the action to be considered, as precisely as possible, when and under what circumstances the deliberations can be disclosed to owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting.

4.16(c) A contract or an action considered in executive session does not become effective unless the board of directors, following the 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.

4.16(d) The meeting and notice requirements in this section may not be circumvented by chance or social meetings or by any other means.

Section 4.17 Emergency Telephonic Meetings. Irrespective of whether a majority of the units are the principal residences of the occupants, an emergency meeting of the board of directors may be conducted by telephonic or electronic communication.

Section 4.18 Notice (General). Subject to subsection (a) of this section and notwithstanding any requirement under the Declaration or Bylaws, in the discretion of the board of directors of the association, any notice, information or other written material required to be given to a unit owner or director under the Declaration or Bylaws may be given by electronic mail, facsimile or other form of electronic communication acceptable to the board of directors.

(a) Notwithstanding the above, electronic mail, facsimile or other form of electronic communication may not be used to give notice of: (i) failure to pay an assessment, (ii) foreclosure of an association lien under ORS 100.450, or these Bylaws;

(iii) an action the association may take against unit owners or an offer to use the dispute resolution program under ORS 100.405 and these Bylaws.

(b) 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 required under the Declaration or Bylaws of this chapter.

Section 4.19 Director Action. A director of the association who is present at a meeting of the board of directors at which action is taken on any association matter is presumed to have assented to the action unless the director votes against the action or abstains from voting on the action because the director claims a conflict of interest.

4.19(a) 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 in the minutes of the meeting.

4.19(b) Directors may not vote by proxy or by secret ballot at meetings of the board of directors.

4.19(c) Notwithstanding subsection (b) of this section, officers may be elected by secret ballot.

ARTICLE 5

OFFICERS

Section 5.1 Designation. The principal officers of the Association shall be a president, a secretary, and a treasurer, all of whom shall be elected by the directors. The directors may appoint an assistant treasurer and an assistant secretary, and any such other officers as in their judgment may be necessary. Nothing contained herein shall preclude an individual from holding more than one officer position at a time.

Section 5.2 Election of Officers. The officers of the Association may 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.

Section 5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the board of directors, any officer may be removed, either with or without cause, and his or her successor elected at any regular or special meeting of the board of directors.

Section 5.4 President. The president shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the board of directors. The President shall have all of the general powers and duties which are usually vested in the office of president of an Association, including, but not limited to, the power to appoint committees from among the owners from time to time as the President may in the President's discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5.5 Secretary. The secretary shall keep the minutes of all meetings of the board of directors and the minutes of all meetings of the Association; the Secretary shall have

charge of such books and papers as the board of directors may direct; and the Secretary shall, in general, perform all the duties incident to the office of secretary.

Section 5.6 Treasurer. The treasurer shall have responsibility for Association funds and securities not otherwise held by the managing agent, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The treasurer shall be responsible for 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.

Section 5.7 Directors as Officers. Any director may be an officer of the Association.

ARTICLE 6

OBLIGATIONS OF THE OWNERS

Section 6.1 Dues and Assessments. All owners are obligated to pay the annual dues and all assessments imposed by the Association to meet all the condominium's common expenses, which shall include premiums for insurance required or permitted under Article 8 of these Bylaws including the payment of deductible amounts in any association insurance policy. In the discretion of the board of directors, the annual assessment may be made payable, semiannually, quarterly, or monthly. All of the reserve accounts set up pursuant to these Bylaws shall be funded by allocation and payment from the monthly assessment of unit owners. The assessment of all unit owners who may be benefited by expenditure of reserve funds may be increased as necessary, so the reserve fund in question can be maintained in an amount sufficient to meet the needs for which such fund was established.

6.1(a) Except as otherwise provided in the Declaration or these Bylaws, the common profits of the property shall be distributed among and common expenses shall be charged to the unit owners according to the allocation of undivided interest of each unit in the common elements. No unit owner by the owner's own action may claim exemption from liability for contribution toward the common expenses by waiver by the owner of the use or enjoyment of any of the common elements or by abandonment by the owner of the owner's unit. An owner may not claim an offset against an assessment for failure of the Association to perform its obligations.

6.1(b) Expense Items: The annual assessment of units shall include the following items, which shall be common expenses:

(1) Expenses of administration.
(2) Expenses of maintenance, repair or replacement of the common elements and association property for which the Association has a maintenance obligation.
(3) Any deficit in common expenses for any prior period.
(4) Cost of insurance or bonds obtained in accordance with these Bylaws.
(5) The cost of any professional management if required by mortgagees or by the board of directors.
(6) Legal, accounting, and other professional fees.

(7) The Reserve account and any other items properly chargeable as an expense of the Association.

6.1(c) Reserve Items:

(1) A reserve account is established for that part of the common elements and the association property which will normally require replacement in more than one year and less than 30 years, for exterior painting if the common elements or association property include exterior painted surfaces, and for the maintenance, repair or replacement of other items as may be required under the Declaration or these Bylaws or that the board of directors, in its discretion, may deem appropriate. The reserve account need not include items that can reasonably be funded from the general budget or other funds or accounts of the association. Payment into this account shall be deemed a contribution to capital improvement as and when made. The reserve account shall be established in the name of the association of unit owners. The association is responsible for administering the account and for making periodic payments into the account. The reserve account for those limited common elements, the maintenance of which is provided by assessment of one or more, but less than all, of the unit owners shall be created by assessment only against the specific units responsible for the maintenance of such limited common elements.

(2) **Reserve Study.** The board of directors shall conduct a reserve study on an annual basis or review and update any existing reserve study of the common elements each year to determine the reserve account requirements and may: (A) adjust the amount of payments in accordance with the study or review; and (B) provide for other reserve items that the board of directors, in its discretion, may deem appropriate.

(3) The reserve study shall identify all items for which reserves are or will be established;

(A) Include the estimated remaining useful life of each item as of the date of the reserve study; and

(B) Include for each item, as applicable, an estimated cost of maintenance and repair, and replacement at the end of the item's useful life.

Section 6.2 Special Assessments. The board of directors shall have the power to levy special assessments against an owner or all owners in the following manner for the following purposes:

6.2(a) To correct a deficit in the operating budget by vote of a majority of the board;

6.2(b) To collect amounts due to the Association from an owner for breach of the owner's obligations under the Declaration, these Bylaws, or the Association's rules and regulations, by vote of a majority of the board;

6.2(c) To make repairs or renovations to the common elements if sufficient funds are not available from the operating budget or replacement reserve accounts;

6.2(d) To make capital acquisitions, additions, or improvements, by vote of at least 75% of all votes allocated to units in the condominium.

Section 6.3. Payment of Assessments. Subject to the provisions of Sections 6.2 and 6.3 of this Article 6.

6.3(a) All assessments shall be deemed duly billed to unit owners when written notice of assessment or a copy of the Board's resolution adopting such assessment is sent to each unit owner stating the type of assessment; the period during which such assessment is applicable or payable; the total amount of the assessment as against all units; the monthly or other periodic payment required by the unit to which the notice is sent and the day on which assessment payments shall be paid. Such notice or resolution containing the foregoing information shall constitute the one and only billing required on the part of the Association. It shall thereupon be each unit owner's obligation to pay all assessments timely in accordance with said notice or resolution.

Section 6.4 Budget; Income Tax Returns; Determination of Fiscal Year.

6.4(a) The fiscal year of the Association shall be April 1st unless otherwise determined by the board of directors.

6.4(b) The board of directors, in its sole discretion, shall determine the manner in which all necessary income tax returns are filed and of selecting any and all persons to prepare such tax returns.

6.4(c) Annually and at least 60 days before the beginning of each fiscal year, the board of directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair, and replacement of the common elements and those parts of the units as to which it is the responsibility of the Association to maintain, repair, and replace, and the cost of wages, materials, insurance premiums, services, supplies, and other expenses that may be declared to be common expenses by the Oregon Condominium Act, the condominium instruments, or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance, and repair of the condominium and the rendering to the unit owners of all related services.

6.4(d) Such budget shall also include such reasonable amounts as the board of directors considers necessary to provide working capital and such general operating reserve accounts, contingency, and other reserve accounts as the board shall determine. The amount designated for replacement reserves shall be adjusted annually to reflect current replacement cost and remaining useful life. Within 30 days after adopting the annual budget for the Association, the board of directors shall send to each unit owner a summary of the budget in a reasonably itemized form that sets forth the amount of the common expenses and any special assessment payable by each unit owner. Such budget shall constitute the basis for determining each unit owner's assessment for the common expenses of the condominium.

6.4(e) The failure of the board of directors to timely prepare and/or to present a budget to the unit owners shall not be cause for any owner to fail or refuse to pay assessments. Assessments shall continue, based on the last adopted or accepted budget, until a new budget is adopted and announced. Retroactive increases and/or special assessments may be made by the board of directors to make up for any deficiency.

6.4(f) If the board of directors fails to timely adopt a budget for a new fiscal year, unit owners holding a majority of the votes of the entire Association, at any general or specially called meeting, may adopt such a budget, announce it to the unit owners, and immediately commence assessments based on the newly adopted budget. Additionally, at any general or specially called meeting, unit owners holding a majority of the votes of the entire Association may amend any budget adopted by the board of directors. Thereafter, assessments to unit owners shall be based on the budget as so amended until a new budget is adopted in accordance with this Section 6.6.

Section 6.5 Default. Failure by an owner to timely pay any charge or assessment of the Association shall be a default by such owner of his or her obligations pursuant to these Bylaws and the Oregon Condominium Act and, in addition to the Association's other remedies provided in the Declaration, these Bylaws shall entitle the Association to declare the balance of such owner's annual assessment otherwise being paid in installments to be immediately due and payable in full. Interest shall be charged on delinquent assessments at a rate as may be set by the board of directors, from time to time, not to exceed the lower of 12% per annum or the highest rate permitted by applicable law. Prior to the imposition of or change in the interest rate charged on delinquent assessments, the board of directors shall give 30 days' written notice to all owners.

6.5(a) In addition to the interest that may be charged on delinquent assessments, the board of directors, at its option, may impose a late charge in respect to any assessment not paid within fifteen (15) days from the due date. The charge may not exceed the sum of the delinquent assessment, but shall be imposed only once on each installment of such assessments. The board of directors, at its option, may also collect attorney fees for collection of assessments.

6.5(b) The Association shall provide, within ten (10) business days of receipt of a written request from an owner, a written statement that provides:

(1) The amount of assessments due from the owner and unpaid at the time the request was received, including:

(A) Regular and special assessments;

(B) Fines and other charges;

(C) Accrued interest; and

(D) Late charges.

(2) The percentage rate at which interest accrues on assessments that are not paid when due; and

(3) The percentage rate used to calculate the charges for late payment or the amount of a fixed charge for late payment.

(4) The Association is not required to comply with the above paragraph of this subsection 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.

6.5(c) The Association shall be entitled to a lien that may be enforced on compliance with the provisions of ORS 100.450. In any foreclosure suit by the Association with respect to the lien, the Association shall be entitled to collect reasonable rent from the defaulting owner for the use of his or her unit or shall be entitled to the appointment of a receiver pursuant to ORS 100.460. Liability for all assessments, charges, interest, fees (including attorney fees), and other sums owing by the unit owner pursuant to the Declaration, these Bylaws, the Oregon Condominium Act, and rules and regulations of the

Association shall be the personal obligation of the unit owner and may be enforced by an action for a money judgment, in addition to all other remedies of the Association.

Section 6.6. Maintenance and Repair.

6.6(a) Every owner must perform promptly all cleaning, painting, maintenance, replacement and repair work (work) on and within such owner's own unit, which if omitted would affect the common use and enjoyment of the other units and common elements of the condominium or any part thereof by the other owners. Each owner must under any circumstance promptly perform all such work to the unit and all components thereof as the same are defined in ORS 100.510 as modified and further defined in the Declaration. Every owner shall be responsible to the Association and to each and every other owner for all damages, injuries and liabilities attributable to such owner's misuse of the unit or the common elements, or failure to promptly perform all such work required herein, the Bylaws or the rules and regulations and such further damages, injuries and liabilities as may result from any negligence in the performance of such work. Such damages shall include but shall not be limited to, those caused or contributed to by any plugged toilet, sink or other drain, including clothes washer and dishwasher overflows and improper dryer venting.

6.6(b) Except as otherwise provided for herein or in the Declaration, all such work on the walls, doors, floors, and windows lying within the boundaries of the unit and on all internal installations of each unit, including water, lights, gas, power, sewage, telephones, television, data cables, air conditioners, plumbing and sanitary installations, doors, windows, lamps, and all other parts of the units shall be at the sole expense of the owner of such unit. The Association shall have no responsibility for any such work other than the maintenance of common elements. Such maintenance shall be at the expense of the Association except to the extent any damage to such common elements which is uninsured shall be repaired at the cost of a unit owner if such damage was caused by a unit owner's gross negligence or willful misconduct.

6.6(c) The Association shall have the immediate right to enter into and upon any unit to perform all, cleaning, maintenance, replacement, painting and repair of the common elements wherever they may be. The Association shall have the right to enter into and

upon any unit for the purpose of completing such work, including any cleaning, maintenance, replacement, painting and repairs as is reasonably necessary to comply with sub-Sections (a) and (b) of this Section 6.8 in order to maintain each unit in good and presentable condition and in at least as good condition and appearance as the same was in when newly completed except for reasonable wear and tear. The Board shall have the right, by resolution or by rule, to adopt a schedule of cleaning, maintenance, replacement, painting and repair that is consistent with the provisions of this Section 6.8 and all owners must comply therewith. The Association shall not have the right to enter into a unit for the purpose of making or completing such work on or within the unit until a written notice is given to the unit, as follows: The Association may give any unit owner notice of any required work reasonably setting forth the work to be done and that the Association will complete the repairs at the unit owner's expense if the same is not completed within fourteen (14) days from the date of delivery of such notice. Provided however, a good faith commencement of repairs during the said fourteen (14) day notice period and a diligent, continuous prosecution of the work thereafter shall be sufficient if the nature of the work requires more than fourteen (14) days to complete. With respect to any required outside work, commencement of the work may be delayed and the continuance of the work may be postponed by reason of adverse weather conditions, but in any event any delay or postponement shall be no longer than the duration of such inclement weather. In no event shall any repair be delayed more than twenty-eight (28) days from the date of the original notice, or the cessation of inclement weather conditions which prevented the commencement or completion of the work. The Association shall have the rights of entry and easements as disclosed in Section 6.9 below.

6.6(d) An owner shall reimburse the Association for all expenditures made in relation to sub-Sections (a) and (b) above pursuant to the rights granted to the Association in sub-Section (c) above and in all events shall reimburse the Association for any expenditures incurred in repairing or replacing any common elements and/or facility damaged through such owner's fault or neglect, not otherwise covered by insurance policies carried by the owner or the Association for the owner's and Association's benefit. In such circumstances, the insurance obtained by the owners shall be deemed the primary coverage.

6.6(e) No unit owner or any other person shall make or cause to be made any change or alteration in the limited common elements attributable to a unit without having first complied with the prior notice and consent provisions of Article 7. It is the intent of this section that all work, improvements, changes or modifications shall comply with the Declaration, these Bylaws and the rules and regulations. It is the intent to maintain the project and all improvements in substantially the same condition and coloration as when originally completed except as may otherwise be determined by the Board from time to time.

Section 6.7. Right of Entry: Encroachments; Easements for Maintenance.

6.7(a) In case of an emergency originating in or threatening a unit, the owner shall be deemed to have granted and hereby grants the right of entry to the management agent or to any other person authorized by the board of directors or the Association, whether or not the owner is present at the time.

6.7(b) An easement is reserved to the Association and its agents in and through any unit and the common elements for access at reasonable times and with reasonable notice for the purpose of periodic inspections, emergency inspections, cleaning, maintenance, repair, painting and replacement of the units and common elements. If, in the process of such work by the Association, it is necessary to alter or damage any unit or common element, such alterations or damages will be permitted without compensation, provided the unit and/or common elements are promptly restored to substantially their prior condition by the Association.

6.7(c) If any portion of the common elements encroaches on a unit, or a unit encroaches on any portion of the common elements, a valid easement for the encroachment and for the maintenance of the same, as long as it stands, shall exist. If the structures are partially or totally destroyed and then rebuilt, the owners of the units agree that minor encroachment of parts of the common elements, or units due to such rebuilding shall be allowed and an easement shall exist for such purpose.

ARTICLE 7

USE AND OCCUPANCY RESTRICTIONS; RULES OF CONDUCT

Section 7.1 Failure by an owner (his or her family, invitees, or lessees) to comply with all the constituent condominium documents, applicable statutes and the administrative and other rules of conduct and regulations set forth here or as promulgated by the board of directors shall be, in part, be a cause for the board of directors to deny or restrict the owner's right to use any common-element facility with respect to which the owner otherwise had a right of use.

Section 7.2 Use as Private Dwelling Only. Subject to Section 7.13 below, all units shall be owner occupied as single-family private dwellings. In all respects, at least one unit owner must be 55 years of age or older. No unit may be occupied by a family with children under the age of 18 years of age. All common elements shall be used in a manner conducive to such purposes. No bedroom shall be occupied for more persons than are allowed by federal, state, or applicable local ordinances and restrictions of record. Subject to complying with applicable local ordinances and restrictions of record, an owner may use a unit as a "home office", provided clients, customers, and employees do not regularly visit the unit.

Section 7.3 Restriction on Alteration to Unit. No owner shall make or cause to be made any structural modifications or alterations that require a building permit to or within the unit or installations located therein without previously notifying the Association in writing by certified mail to the management agent, if any, or to the president of the board of directors, if no management agent is employed. Such notice shall detail all of the proposed work, its cost and be accompanied by plans and specifications and comply with all building codes. The work must only be done by permit and a licensed contractor. The Association shall have the obligation to approve or disapprove of the proposed work within 30 days, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration; provided, however, that nothing herein contained shall authorize any owner to alter a unit perimeter boundary or create apertures, windows or doors in any unit boundary or bearing wall nor shall anything herein contained waive or limit an owner's obligation to comply with the provisions of ORS 100.535. All such work, to the extent approved or deemed approved by the Association, must be completed

within sixty (60) days of the date the work is actually or deemed approved. All such work shall be completed in accordance with the provisions of the constituent condominium documents and applicable building codes.

Section 7.4 Use of the Common Elements. No owner, person or entity shall place or cause to be placed or maintained on or within any of the common elements including patios, decks, porches, driveways and other common elements of the condominium, any furniture, packages, or objects of any kind, except the suitable furniture may be placed on the decks, **patios and porches** without the prior written consent of the board of directors so long as the same are kept in good condition and repair. Such areas shall be used for no purpose other than what is normal in residential use.

Section 7.5 Pets. No owner may keep more than two pets in his or her unit without the prior written consent of the board of directors. Any unit owner who maintains any pet upon any portion of the condominium shall be deemed to have indemnified and agreed to hold the Association, each of its members harmless from any injury, damage, loss, claim, or liability of any kind or character whatever arising by reason of keeping or maintaining the pet within the condominium. All pets shall be registered with the board of directors and shall be kept registered and inoculated as allowed by law. All pets shall be on leash at all times when outside the unit and outside a fence enclosed limited common element yard assigned to that unit. The owner shall further abide by the municipal sanitary regulations, leash laws, and rules or regulations of the Association created by the board of directors. The board of directors shall have the power to require any person whose pet is a nuisance to remove the pet from the premises.

Section 7.6 Appearance of Condominium Building. No unit owner will cause anything to be hung, displayed, or placed on the walls, doors, windows, walkways, ceilings of walkways, or roof of any condominium building or any common element nor otherwise change the appearance of any portion of a unit or the common elements without the prior written consent of the board of directors. No clothes lines or similar devices and no "For Sale" or "For Rent" signs will be allowed on any part of the condominium property without the prior written consent of the board of directors.

Section 7.7 Nuisances. No nuisances will be allowed on the condominium property nor any use or practice that is the source of annoyance to residents or that interferes with the peaceful possession and proper use of the property by its residents. Residents shall exercise extreme care about creating disturbances, making noises, or using musical instruments, radios, televisions, and amplifiers that may disturb other residents. All parts of the condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage allowed to accumulate, nor any fire hazard allowed to exist. All such garbage and trash shall be placed inside disposal containers. No unit owner will permit any use of his or her unit or make any use of the common elements that will increase the cost of insurance on the condominium property.

7.7(a) No owner shall personally (or permit any other person to) hang garments, rugs, and similar items from the windows or from any of the facades, decks, or terraces of the condominium, nor shall any owner personally (or permit any other person to) hang or shake dust rags, mops, and similar items from the windows or porches or terraces, or clean such items by beating on an exterior part of the condominium. Additionally, no owner shall personally (or permit any other person to) use an outdoor barbeque or firepit that uses

charcoal or wood as its fuel. Only propane barbeques may be used and must be located not less than 10 feet from the outside of a building unit.

Section 7.8 Improper, Offensive, or Unlawful Use. No improper, offensive, or unlawful use will be made of the condominium property nor any part of it; all valid laws, zoning ordinances, and regulations of governmental bodies having jurisdiction must be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification, or repair of the condominium property will be carried out and paid for in the same manner as is the responsibility for the maintenance and repair of the property concerned.

Section 7.9 Restriction on Exterior Installations. No owner, resident, or lessee shall install wiring for electrical or telephone installation, exterior antennae, cable wiring, washing machines, dryer or other vents or air conditioning units, or similar devices on the exterior of any condominium building or cause anything to protrude through the doors, windows, walls or the roof of any condominium except as authorized by the board of directors. No window guards, awnings, or shades shall be installed without the prior consent of the board of directors.

Section 7.10 Parking. There are general common element parking spaces in the condominium. Use of these parking spaces are limited to unit owners and their guests and is subject to the rules and regulations of the Association.

Section 7.11 Vehicle Restrictions. Vehicular traffic on the parking areas and driveways on condominium property shall be limited to fifteen (15) miles per hour. This speed limit shall apply to bicycles, motor scooters, motorcycles, automobiles, and trucks. No recreational vehicles, campers, trailers, boats, boat trailers, vehicles in disrepair, or similar things may be parked or kept on condominium property without the prior written consent of the board of directors.

Section 7.12 Use of Common Facilities. All general common elements and facilities including storage areas are provided for the use of the owners and their guests. Rules and regulations will be posted setting out the hours the various facilities will be available for use and the conditions attendant thereto. Compliance with such rules as determined by the board of directors is essential to the harmonious operation of the facilities.

Section 7.13 Leasing. No unit owner may rent or lease their unit. However, a unit owner may enter into a lease agreement for rental of a portion of the unit, provided, however, that in no circumstances may a lessee be the primary occupant of the unit. At all times, the unit shall remain occupied by the unit owner(s).

In the event of a lease, all tenants shall be under the control and subject to the Declaration, any supplemental Declaration and these Amended and Restated Bylaws, rules and regulations of the Association and the Board of Directors. All leases shall be in writing and shall be submitted to the Board of Directors for their approval prior to entering into a lease agreement. At any time during the tenancy, the board of directors may cause its termination and evict such tenants for cause with or without joining the unit owner of such unit in any such action.

Section 7.14 Additional Rules. The Association or the Board of Directors may from time to time adopt and amend rules and regulations concerning the administration of the Association and governing the operation and the use of the units and common elements subject to the provisions of the Declaration and these Bylaws. Rules and regulations adopted or amended by

the Association shall take effect immediately on adoption by a majority of the unit owners at any legal meeting provided the notice of such meeting summarized the subject matter of any rule or regulation to be considered at the meeting. Any rule or regulation adopted by the Board of Directors shall take effect 14 days after notice thereof is sent to each unit owner unless a special meeting is called to reconsider such rule or regulation pursuant to Section 3.6. Copies of all rules, regulations and amendments shall be furnished to all unit owners, residents and mortgagees, on request.

Section 7.15 Dispute Resolution. In the event that any unit owner has a dispute between them or a dispute with another unit owner the dispute shall be submitted to mediation utilizing the mediation services of the Arbitration Service of Portland. In the event that the mediation is unsuccessful the dispute shall be submitted to binding arbitration before the Arbitration Service of Portland. In the case of mediation or arbitration, the rules of the Arbitration Service of Portland shall be binding upon the parties.

Section 7.16 Enforcement/Fines. The board of directors, after giving a unit owner written notice and an opportunity to be heard, may levy reasonable fines for violations of the Declaration, Bylaws, and the rules and regulations of the Association provided that the charge imposed or fine levied by the Association is based:

7.16(a) On a schedule contained in the Declaration or Bylaws, or an amendment to either that is delivered to each unit, mailed to the mailing address of each unit, or mailed to the mailing addresses designated in writing by the owners; or

7.16(b) On a Resolution adopted by the board of directors or the Association that is delivered to each unit, mailed to the mailing address of each unit, or mailed to the mailing address as designated by the owners in writing; and

7.16(c) Adopt rules regarding the termination of utility services paid for out of assessments of the Association and access to and use of recreational and service facilities available to unit owners and after giving written notice and an opportunity to be heard, terminate the rights of any owners to receive such benefits or services until the correction of any violation covered by such rule has occurred.

ARTICLE 8

INSURANCE

Section 8.1 The board of directors shall obtain and maintain at all times insurance of the type and kind and in the amounts hereinafter provided, including insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other condominiums similar in construction and design, and which insurance shall be governed by the provisions in this numbered Article.

Section 8.2 Types of Insurance Policies. For the benefit of the Association and the owners, the board of directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance to the extent available at reasonable cost:

8.2(a) A policy or policies of property insurance, including but not limited to, fire, extended coverage, vandalism and malicious mischief for the full insurable replacement value, if available, of all general and limited common elements, unless otherwise insured by a unit owner.

8.2(b) A policy or policies insuring the Association, its board of directors, the unit owners individually, and the manager against any liability to the public or the owners of units and their invitees or tenants, incident to the ownership, supervision, control, or use of the project. Limits of liability under such insurance shall be not less than $1,000,000 per occurrence for bodily injuries and property damage liability. This limit and coverage shall be reviewed at least annually by the board of directors, which may increase the limit of and/or coverage, in its discretion. The policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsements wherein the rights of the named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured.

8.2(c) Workers' compensation insurance to the extent necessary to comply with any applicable laws.

8.2(d) A fidelity bond naming such persons as may be designated by the board of directors as principals and the Association and the owners as obligees, for the amount determined by the board of directors; provided, however, that the board of directors shall require that all officers and employees of the Association handling or responsible for Association funds obtain adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

8.2(e) The Association shall not be responsible for any loss or damage to the contents within any units or the units themselves, appurtenant limited common elements or personal property of any owner, whether stored on the common elements or in the owner's unit; nor shall the Association maintain any insurance coverage for such losses.

Section 8.3 Unit Owner's Insurance. Each unit owner shall be required to maintain either a homeowner's insurance policy or an insurance policy for fire and extended coverage to include vandalism and malicious mischief for the full insurable replacement value, if available, of the owner's unit.

8.3(a) All such unit owner's policies shall name the mortgagee of such unit and the Association as loss payees and must provide for the mortgagee's prior right to recovery of the insurance proceeds as its interests and the Association's interests may appear.

8.3(b) In the event that a unit owner fails to pay premiums on the unit owner's insurance, the Association shall have the right but not the obligation to pay said premiums and shall be entitled to immediate reimbursement for any amounts so paid by the unit owner. In the event that the unit owner fails to maintain insurance as required herein, the Association shall have the right but not the responsibility to purchase said insurance at the unit owner's expense and the unit owner shall be obligated to immediately reimburse the Association for the cost of such insurance.

In all events, any amounts advanced by the Association to cover such insurance shall be deemed an assessment against the unit owner and unless paid within five (5) days, shall be deemed an assessment in default and the Association shall have all of the rights set forth in Article 6, Section 6.7.

Section 8.4 Insurance Companies Authorized. All policies shall be written by a company licensed to do business in Oregon and hold a "Commissioner's rating" of "A+" and a size rating of "AAA," or better, by Best's Insurance Reports, or as may be otherwise acceptable to all mortgagees and directors.

Section 8.5 Authority to Adjust Losses. All losses under policies hereafter in force regarding the property shall be settled exclusively with the board of directors or its authorized representative; provided, however, that when a first mortgagee has been designated as a loss payee by a unit owner and the first mortgagee has requested the opportunity to exercise the rights provided by this Section, the mortgagee shall be entitled to settle losses as to the mortgaged unit, provided that the loss which occurs is severable. Releases and proofs of loss shall be executed by at least two directors.

Section 8.6 Value of Owner Improvements. No owner shall be permitted to make improvements to the owner's unit or change the style or exterior material or color of the unit without first obtaining the approval of the board of directors pursuant to Article 7.3.

Section 8.7 Provisions in Insurance Policies. The board of directors shall make every effort to secure insurance policies that will provide for the following:

8.7(a) A waiver of subrogation by the insurer as to any claims against the board of directors, the manager, the unit owners, and their respective servants, agents, and guests.

8.7(b) A provision that the master policy on the condominium cannot be canceled, invalidated, or suspended on account of the conduct of any one or more individual owners.

8.7(c) A provision that the master policy on the condominium cannot be canceled, invalidated, or suspended on account of the conduct of any officer or employee of the board of directors or the manager without prior demand in writing that the board of directors or manager cure the defect.

8.7(d) A provision that any "no other insurance" clause in the master policy exclude individual owners policies and not otherwise prevent such individual policies from providing coverage for damage to units or common elements.

8.7(e) Notwithstanding any other provision in the Declaration or Bylaws, the board of directors may not provide for a deductible amount in any insurance policy in excess of $10,000 unless the board of directors determines that it is in the best interests of the association of unit owners and the unit owners in which case the board may adopt a resolution authorizing the association to obtain and maintain an insurance policy(s) with a deductible amount exceeding the specified maximum but not in excess of the greater of (1) the maximum deductible acceptable to the Federal National Mortgage Association; or (2) $10,000.

8.7(f) In making a determination under subsection 8.7(e) of this section, the board of directors shall consider shall factors as the availability and cost of insurance and the loss experience of the association.

8.7(g) Unless otherwise stated in the Declaration or these Bylaws, the board of directors may adopt a resolution that assigns the responsibility for payment of the amount of the deductible. The resolution must include, but need not be limited to: (1) the circumstances under which a deductible will be charged against (A) a unit owner or the unit owners affected by a loss; or (B) all unit owners; (2) the allocation of the deductible charged under paragraph (1) of this subsection and (3) if a unit owner and the association have duplicate insurance coverage, the insurance policy that is primary, unless otherwise provided in the Declaration or Bylaws.

8.7(h) If the board of directors adopts a resolution described in paragraph 8.7(g) of this section, the resolution may require that a unit owner, in addition to any other insurance required by the Declaration or Bylaws, obtain and maintain: (1) an insurance policy that insures the unit and appurtenant limited common elements for not less than the amount of the deductible in the association's insurance policy for which the unit owner may be responsible and that insures the unit owner's personal property for any loss or damage; and (2) comprehensive liability insurance that includes, but is not limited to, coverage for negligent acts of unit owners and tenants, guests of unit owners and tenants and occupants of other units for damage to the general and limited common elements, to other units and to the personal property of other persons that is located in other units or common elements.

8.7(i) Unless otherwise provided in the Declaration or Bylaws, the board of directors may adopt a resolution that (1) prescribes a procedure for processing insurance claims. The procedure may require that all claims against the association's insurance policy be processed through and be coordinated by the board of directors or the managing agent, if authorized by the board, (2) assigns the responsibility for payment of charges for handling claims, including any charges by a managing agent.

8.7(j) Not later than ten days after adoption of a resolution under subsections 8.7(e), (g) and (i) of this section, the board of directors shall insure that a copy of the resolution and a notice described in subsection 8.7(k) of this section are (1) delivered to each unit owner; or (2) mailed to the mailing address of each unit owner or to the mailing address designated in writing by the unit owner.

8.7(k) The notice required under subsection 8.7(j) of this section shall (1) advise the unit owner to contact the unit owner's insurance agent to determine the effect of the resolution on the unit owner's individual insurance coverage; and (2) be in a form and style reasonably calculated to inform the unit owner of the importance of the notice.

8.7(l) Failure to provide a copy of a resolution or a notice required under this section does not affect the responsibility of a unit owner to comply with a resolution adopted under this subsection.

Section 8.8 Reconstruction Costs. If the Association is required or elects to reconstruct any of the common elements that have been damaged or destroyed, to the extent that insurance proceeds are insufficient, unavailable or unpaid when needed, the Association shall assess the owners for the additional funds necessary to pay the costs of repairing or reconstructing the general common elements. Such assessment shall be both a personal obligation of such owner and a lien against such owner's unit in the same manner as any other Association assessment.

Section 8.9 Insurance Deductible/Owner and Tenant Insurance. The board of directors shall determine the amount of the deductible for property loss insurance policies, as well as other insurance policies required to be procured by the Association under this Article 8. In determining the deductible under the policies, the board, among other factors, shall take into consideration the availability, cost, and loss experience of the Association. In this regard, as in other board responsibilities, the board members shall exercise their reasonable business judgment.

8.9(a) The Association shall have no responsibility to procure or assist in procuring property loss insurance for any owner or tenant for (a) damage to a unit or limited common elements; or (b) for any damage or loss to the owner's or tenant's personal property. As provided in Section 8.3, owner shall be responsible for purchasing insurance policies insuring their units and appurtenant limited common elements for any losses. Tenants shall be responsible for insuring their own personal property for any loss or damage. Owners and tenants of all units shall be procure and maintain comprehensive liability policies having combined limits of not less than $100,000 for each occurrence. Such insurance shall provide coverage for, without limitation, the negligent acts of the owners and tenants and their guests or other occupants of the units for damage to the general limited common elements and other units, and the personal property of others located therein.

Section 8.10 Review of Insurance Policies. At least annually, the board of directors shall review all insurance carried by the Association of unit owners, which review shall include a consultation with a representative of the insurance carrier writing the master policy.

Section 8.11 Duplicate Insurance Coverage. In the event of duplicate insurance coverage, the insurance policy obtained by the unit owner shall be deemed to be the primary coverage.

ARTICLE 9

DAMAGE AND DESTRUCTION

Section 9.1 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 buildings damaged or destroyed, shall be applied to such reconstruction.

Section 9.2 Insurance Proceeds Insufficient to Cover Loss. If the insurance proceeds are insufficient to reconstruct the damaged or destroyed general common elements, the damage to or destruction of such buildings or other property shall be promptly repaired and restored by the manager or the board of directors, using the proceeds of insurance, if any, on such buildings or other property for that purpose and all the unit owners shall be liable for assessment for any deficiency for such reconstruction.

9.2(a) If the insurance proceeds payable to the individual unit owners in regard to any damage or destruction of their unit is insufficient to repair or reconstruct their unit, such owners shall nevertheless repair or restore their unit using their own funds. In the event that a unit owner fails to repair or restore their unit, the association may elect to undertake repair or restoration of the unit and shall have a claim against the unit owner for reimbursement of all such costs or expenses incurred by the Association in completing such a repair or restoration. Additionally, the Association shall have a lien against the affected unit and shall have the same rights and remedies of enforcement as provided for under Article 6.

Section 9.3 Architectural Changes After Damage or Destruction. Reconstruction of the damaged or destroyed building as used in this article means restoring the buildings to substantially the same condition in which they existed before the fire, casualty, or disaster and shall be performed substantially in accordance with the Declaration and the original plans and specifications unless other action is approved by the holders of at least 51% of the mortgages on units in the condominium. Such reconstruction shall be accomplished under the direction of the manager or the board of directors. Notwithstanding all other provisions hereof, the owners may, by an affirmative vote of sufficient owners to amend these Bylaws, cause an amendment to be made to the condominium documents so as to facilitate architectural changes that the owners affected thereby and the Association deem desirable if, and only if, the partial or total destruction of the condominium, or any buildings thereof, by fire, casualty, or any other disaster is so great as to require the substantial reconstruction of the whole of the condominium, or the buildings, and on approval by the holders of at least 51% of the mortgages in the condominium; provided, however, that any such amendment of such condominium documents shall be valid only on (1) compliance with all applicable provisions of the Oregon Condominium Act; (2) approval by the Oregon Real Estate Commissioner; (3) recording thereof with the recording officer of Multnomah County; and (4) recording with that recording officer of the approval thereof of each mortgagee and each other lien holder of record having a lien against any part of the project or building affected by such amendment.

Section 9.4 Reallocation of Percentage Interest. In the event of a partial destruction of the condominium buildings or units therein, the unit owners may not reallocate the percentage interests in the common elements without the prior approval of the mortgagees of all the remaining units, whether existing in whole or in part. Any such reallocation shall also comply with the Oregon Condominium Act and other provisions of the Declaration, any applicable supplemental condominium Declaration and Bylaws.

ARTICLE 10

CONDEMNATION

Section 10.1 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; provided, however, that nothing in this or any document or agreement relating to the condominium shall be construed to give a unit owner or any party priority over the rights of the first mortgagees of any condominium units in the case of a

distribution to the unit owner of any such condemnation awards for losses to or a taking of a unit and/or the common elements. In the event of a taking or acquisition of part or all of the common elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any trustee, for the use and benefit of the unit owners and their mortgage holders as their interest may appear. The board of directors shall distribute the proceeds of any such award or settlement on a reasonable and equitable basis among the unit owners.

ARTICLE 11

AMENDMENTS TO BYLAWS

Section 11.1 General Amendments. These Bylaws may be amended by the owners holding 75% of the total voting rights allocated to the units in a duly constituted meeting or ballot meeting noticed and called for such purpose, and no amendment shall take effect unless approved by owners holding a majority of the voting rights as otherwise set forth in the Declaration and any supplemental condominium Declaration and duly recorded. All amendments shall be reduced to writing, certified by the president and secretary of the Association to be the amendment adopted by the Association, and the certified amendment shall be recorded in the Deed Records of Multnomah County, Oregon; provided, however, that no amendment of these Bylaws reducing or eliminating the right of any first mortgagee shall be made without the prior written consent of the first mortgagee.

Section 11.2 Special Amendment Provisions. Subject to approval by the first mortgagees provided in Section 11.1 above, no amendment to the pet restrictions, the maximum number of persons who may occupy units and the provisions regarding rental or leasing of units shall be effective unless approved by 75% of the total voting rights allocated to the units in a duly constituted meeting noticed and called for such purpose.

ARTICLE 12

RECORDS AND AUDITS

Section 12.1 General Records. The board of directors and the managing agent or manager, if any, shall keep detailed records of the actions of the board of directors and the managing agent or manager, minutes of the meetings of the board of directors and minutes of the meetings of the Association. The board of directors shall maintain a list of owners entitled to vote at meetings of the Association and a list of all mortgagees of units. The board shall maintain a copy, suitable for the purpose of duplication, of the following:

12.1(a) The Declaration and Bylaws including amendments or supplements in effect, the recorded plat, if feasible, and the Association rules and regulations currently in effect;

12.1(b) The most recent annual financial statement prepared in accordance with these Bylaws;

12.1(c) The current operating budget of the Association;

12.1(d) Reserve Study, if any;

12.1(e) Architectural standards and guidelines, if any.

The Association, within ten (10) business days after receipt of a written request by an owner, shall furnish the requested information required to be maintained under this subsection of this section.

The board of directors, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of Association records and the imposition of a reasonable fee for furnishing copies of any documents, information or records, described in this section. The fee may include reasonable personnel costs incurred to furnish the information.

Section 12.2 Records of Receipts and Expenditures. The board of directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common elements, itemizing the maintenance and repair expenses of the common elements and any other expenses incurred. The records and the vouchers authorizing the payments shall be reasonably available for examination and upon written request, available for duplication by a unit owner and any mortgagee of a unit that makes the request in good faith for a proper purpose. Notwithstanding the above, records kept by or behalf of the Association may be withheld from examination and duplication to the extent the records concern personnel matters relating to a specific identified person or person's medical records; contracts, leases and other business transactions that are currently under negotiation to purchase or provide goods or services; communications with legal counsel that relate to matters specified in this paragraph; disclosure of information in violation of law; documents, correspondence or management or board reports compiled for or on behalf of the Association or the board of directors by its agents or committees for consideration by the board in executive session held in accordance with these Bylaws; documents, correspondence or other matters considered by the board of directors in executive session held by accordance with these Bylaws; files of individual owners other than those of requesting owner or requesting mortgagee of an individual owner including any individual owner's file kept by or on behalf of the Association.

Section 12.3 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each unit. The account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which the assessment comes due, the amounts paid on the account, and the balance due on the assessments.

Section 12.4 Payment of Common Expenses. The board of directors shall authorize the treasurer, the management agent, or another specified party to pay all legitimate expenses of the Association. The payments shall be made pursuant to the payment system instituted by the board of directors as described in Article 4, Section 4.3(a), of these Bylaws.

Section 12.5 Reports and Audits. The board of directors shall prepare or cause to be prepared an annual report of the receipts and expenditures of the Association and a balance sheet and income and expense statement setting forth the financial condition of the Association as of the end of each year. The report shall be prepared according to generally accepted accounting procedures and shall be distributed to all unit owners and to all mortgagees of units who request the same within 90 days after the end of each fiscal year and shall comply with ORS 100.480. At

any time any owner or mortgagee may, at his or her own expense, cause an audit or other inspection to be made of the books and records of the Association.

Section 12.6 Notice of Sale, Mortgage, Rental, or Lease. Immediately upon the sale, mortgage, rental, or lease of any unit, the unit owner shall promptly inform the secretary or manager of the name and address of such vendee, mortgagee, lessee, or tenant.

Section 12.7 Annual Report. The board of directors shall cause an annual reporting, including amendments to be filed with the Secretary of State's Office pursuant to ORS 65.787.

ARTICLE 13

COMPLIANCE

Section 13.1 These Bylaws are intended to comply with the provisions of the Oregon Condominium Act, which are incorporated herein and to supplement the provisions in the condominium Declaration. In case of any conflict between the provisions herein and the Declaration, the provisions in the Declaration shall control.

ARTICLE 14

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS

Section 14.1 The Association shall indemnify any director, officer, employee, or agent who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by the Association) by reason of the fact that he or she is or was a director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such suit, action, or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe his or her conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit, or proceeding as and when incurred, subject only to the right of the Association, should it be proven at a later time that the person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a director, officer, employee, or agent shall have a right of contribution over and against all other directors, officers, employees, or agents and members of the Association who participated with or benefited from the acts that created the liability.

ARTICLE 15

ASSESSMENT COLLECTION COSTS; SUITS AND ACTIONS

Section 15.1 Whether or not suit or action is commenced, unit owners shall be obliged to pay reasonable fees and costs including, but not limited to, attorney fees incurred in connection with efforts to collect delinquent and unpaid assessments and enforcement of the Declaration, Bylaws, or rules and regulations of the Association. In addition to the assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines, and interest imposed pursuant to ORS 100.405(4)(k).

Section 15.2 If suit or action is commenced by the directors for the collection of any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the Bylaws or of the Oregon Condominium Act, or if the Association appears in any bankruptcy case, the owner or owners, jointly and severally, will in addition to all other obligations, pay the associations costs of such suit or action, including reasonable attorney fees to be fixed by the trial court and, in the event of an appeal, the cost of the appeal, together with reasonable attorney fees in the appellate court to be fixed by that court. All such costs and fees shall be a lien on the respective unit.

Section 15.3 Notice to unit owners of intent to commence judicial or administrative proceedings. At least ten (10) days prior to instituting any litigation or administrative proceeding to recover damages under ORS 100.405 (4)(e)(E), the association of unit owners shall provide written notice to each affected owner of the association's intent to seek damages on behalf of the owner. The notice shall, at a minimum:

15.3(a) Be mailed to the mailing address of each unit or to the mailing addresses designated by the owners in writing to the association;

15.3(b) Inform each owner of the general nature of the litigation or proceeding;

15.3(c) Describe the specific nature of the damages to be sought on the owner's behalf;

15.3(d) Set forth the terms under which the association is willing to seek damages on the owner's behalf, including any mechanism proposed for the determination and distribution of any damages recovered;

15.3(e) Inform each owner of the owner's right not to have the damages sought on the owner's behalf and specify the procedure for exercising the right; and

15.3(f) Inform the owner that exercising the owner's right not to have damages sought on the owner's behalf:

(1) Relieves the Association of its duty to reimburse or indemnify the owner for the damages;

(2) Does not relieve the owner from the owner's obligation to pay dues or assessments relating to the litigation or proceeding;

(3) Does not impair any easement owned or possessed by the association; and

(4) Does not interfere with the association's right to make repairs to common elements.

15.3(g) Within ten (10) days of mailing the notice described in this section, any owner may request in writing that the Association not seek damages on the owner's behalf. If an owner makes such a request, the association shall not make or continue any claim or action for damages with regard to the objecting owner's unit or interest and shall be relieved of any duty to reimburse or indemnify the owner for damages under the litigation or proceeding.

ARTICLE 16

MISCELLANEOUS

Section 16.1 Notices. All notices to the Association or to the board of directors shall be delivered or sent by United States certified mails, postage prepaid, in care of the managing agent, or if there is no managing agent, to the president at 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 delivered or sent by United States certified mails, postage prepaid, to such address as may have been designated by him or her from time to time, in writing, to the board of directors, or if no address has been designated, then to the owner's unit. All notices allowed or required under these Bylaws shall be in writing and shall reasonably state the basis thereof and the action requested.

Section 16.2 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 that may occur.

Section 16.3 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 here, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

Section 16.4 It is hereby certified that these Amended and Restated Bylaws have been adopted by the unit owners of Club Estates East Condominium, An Association of Owners as provided for in Article 11 herein and will be recorded in the Deed Records of Multnomah County and Bylaws are approved as required by law.

[Signature Page Follows]

IN WITNESS WHEREOF, these Amended and Restated Bylaws are executed to be effective as of the date first set forth below.

CERTIFICATE OF ASSOCIATION

We, Gail Newberry and Nancy Robrecht, being the duly elected President and Secretary respectively for the Club Estates East Condominium, An Association of Owners do hereby certify that we and each of us have compared the attached instrument, being the Amended and Restated Bylaws bearing the date of _____ 2024, and the amendments approved by the Association at a duly constituted meeting held pursuant to notice on _____ 2024 at which all amendments incorporated herein were approved by affirmative vote 75% or more of the owners of the family units, and in accordance with the then effective Bylaws and Declarations then and there existing, and the attached said instruments correctly incorporate said amendments so approved by the Association.

Club Estates East Condominium, An
Association of Owners

By:_____
Gail Newberry, President

STATE OF OREGON)
) ss. _____, 2024
County of Multnomah)

Personally appeared the above-named Gail Newberry, President, of Club Estates East Condominium, An Association of Owners, and acknowledged the foregoing instrument to be her voluntary act and deed.

_____
NOTARY PUBLIC FOR OREGON
My commission expires:_____

Club Estates East Condominium, An
Association of Owners

By:_____
Nancy Robrecht, Secretary

STATE OF OREGON)
) ss. _____, 2024
County of Multnomah)

Personally appeared the above-named Nancy Robrecht, Secretary, of Club Estates East Condominium, An Association of Owners, and acknowledged the foregoing instrument to be her voluntary act and deed.

_____
NOTARY PUBLIC FOR OREGON
My commission expires:_____