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Sylvan Heights
7600 SW Barnes Rd.
Portland, OR. 97225


Washington County, Oregon
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\$120.00 \$6.00 \$11.00 - Total = \$137.00

2006-041157

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

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



**AMENDED AND RESTATED
BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF
SYLVAN HEIGHTS CONDOMINIUM**

The original Bylaws were prepared by the Declarant, Washington Mutual Savings Bank, a Washington corporation, and recorded on December 21, 1979, in the Washington County, Deed Records ("Original Bylaws"). The Original Bylaws were amended at various times, recorded on April 25, 1986 as Fee No. 86017163, on March 5, 1987 as Fee Nos. 87010870 and 87010871, and on May 17, 2001 as Fee No. 2001046170, in the Washington County, Oregon Deed Records. These Amended and Restated Bylaws (hereinafter referred to as "bylaws") supercede and replace the Original Bylaws and any amendments thereto in their entirety. The Original Bylaws were created under the Oregon Unit Ownership Law, which is now known as the Oregon Condominium Act.

ARTICLE 1

PLAN OF UNIT OWNERSHIP

1.1 Name and Location. These are the bylaws of the ASSOCIATION OF UNIT OWNERS OF SYLVAN HEIGHTS CONDOMINIUM (hereinafter the "Association"). Sylvan Heights Condominium (hereinafter the "condominium") is located in Washington County, Oregon, and was submitted to the Oregon Unit Ownership Law by a declaration and supplemental declarations annexing property to the condominium (hereinafter collectively called "the declaration"). The location of the condominium is more specifically described in the declaration.

1.2 Principal Office. The principal office of the Association shall be located at 7600 SW Barnes Road, Portland, Oregon 97225, or such other address as the Board of Directors may designate from time to time.

1.3 Purposes. This Association was formed under the provisions of the Oregon Unit Ownership Law to serve as the means through which the unit owners may take action with regard to the administration, management and operation of the condominium.

1.4 Applicability of Bylaws. The Association, all unit owners, and all persons using the condominium property shall be subject to these bylaws and to all rules and regulations which may be promulgated hereunder.

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

1.6 Definitions.

1.6.1 Adoption by Reference. The definitions contained in or adopted by the declaration shall be applicable to these bylaws.

1.6.2 Percentage of Unit Owners. Whenever a percentage of unit owners is specified herein, such percentage means the owners of that percentage of the total number of units existing in the condominium.

1.6.3 Mortgage and Mortgagee. As used herein, the terms "mortgage" and "mortgagee" shall include, respectively, a deed of trust and the beneficiary of a deed of trust.

1.7 Incorporation. The Association is incorporated as a non-profit mutual benefit corporation.

ARTICLE 2

MEETINGS OF ASSOCIATION

2.1 Place of Meetings. The Association shall hold meetings at such suitable place convenient to the unit owners as may be designated by the Board of Directors from time to time.

2.2 First Organizational Meeting. Within three (3) years after the developer has submitted the condominium to unit ownership and adopted the bylaws as owner of all the units, or within ninety (90) days after developer has sold and conveyed eighty percent (80%) or more of the units in the first phase of the condominium, whichever is earlier, the developer shall call the first meeting of the unit owners to organize the Association and to elect directors. In the event of lack of quorum at such first organizational meeting, it may be adjourned to the time of the next annual meeting.

2.3 Annual Meetings. The annual meetings of the Association shall be held in the months of January or February at such hour and on such date as the chairman may designate, or if the chairman should fail to designate such date by the first day of February, then on the last Tuesday in February. The annual meetings shall be for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

2.4 Special Meetings. Special meetings of the Association may be called by the chairman or secretary or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from at least thirty percent (30%) of the unit owners stating the purpose of the meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

2.5 Notice of Meetings. Notice of all meetings of the Association stating the time and place and the objects for which the meeting is being called shall be given by the chairman or secretary. Such notice shall be in writing and mailed to each unit owner at his address as it appears on the books of the Association and to any first mortgagee requesting such notice not less than ten (10) days nor more than fifty (50) days prior to the date of the meeting. Proof of

such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived by any unit owner before or after meetings. When a meeting is adjourned for less than 30 days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

2.6 Voting. Each unit owner shall have one vote for each unit of the condominium owned by him. The Board of Directors shall be entitled to vote on behalf of any unit which has been acquired by or on behalf of the Association; provided, however, that the Board of Directors shall not be entitled to vote such units in any election of directors.

2.7 Proxies. A vote may be cast in person or by proxy. A proxy given by a unit owner to any person who represents such owner at meetings of the Association shall be in writing and signed by such owner, and shall be filed with the secretary. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy, and every proxy shall automatically cease upon sale of the unit by its owner. A unit owner may pledge or assign his voting rights to a mortgagee. In such a case, the mortgagee or its designated representative shall be entitled to receive all notices to which the unit owner is entitled hereunder and to exercise the unit owner's voting rights from and after the time that the mortgagee shall give written notice of such pledge or assignment to the Board of Directors. Any first mortgagee may designate a representative to attend all or any meetings of the Association.

2.8 Fiduciaries and Joint Owners. An executor, administrator, guardian or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any unit owned or held by him in such capacity, whether or not the same shall have been transferred to his name; provided, that he shall satisfy the secretary that he is the executor, administrator, guardian or trustee, holding such unit in such capacity. Whenever any unit is owned by two or more persons jointly, according to the records of the Association, the vote of such unit may be exercised by any one of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of such unit shall be disregarded completely in determining the proportion of votes given with respect to such matter.

2.9 Quorum of Unit Owners. At any meeting of the Association, thirty percent (30%) of the unit owners, present in person or by proxy, shall constitute a quorum. The subsequent joinder of a unit owner in the action taken at a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a unit owner or owners. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.10 Majority Vote. The vote of more than fifty percent (50%) of the unit owners, present in person or by proxy, at a meeting at which a quorum is constituted shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, by the declaration or by these bylaws.

2.11 Order of Business. The order of business at annual meetings of the Association shall be:

- 2.11.1 Calling of the roll and certifying of proxies;
- 2.11.2 Proof of notice of meeting or waiver of notice;
- 2.11.3 Reading of minutes of preceding meeting;
- 2.11.4 Reports of officers;
- 2.11.5 Reports of committees, if any;
- 2.11.6 Election of directors;
- 2.11.7 Unfinished business;
- 2.11.8 New business; and
- 2.11.9 Adjournment.

ARTICLE 3

BOARD OF DIRECTORS

3.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of three (3) to seven (7) persons, as provided in Sections 3.2 and 3.3 of this Article. All directors, other than interim directors appointed by developer, shall be owners or co-owners of units of the condominium. For purposes of this section, the officers of any corporate owner and the partners of any partnership, shall be considered co-owners of any units owned by such corporation or partnership.

3.2 Election and Term of Office. At the expiration of the term of office of each respective director, his successor shall be elected to serve for a term of two years. The term of not less than one-third of the directors shall expire annually. Directors shall hold office until their respective successors have been elected by the unit owners. Election shall be by plurality. Upon a majority vote of the membership, the number of directors may be increased to seven (7) directors. Upon such increase, two additional directors shall be elected, one to serve until the next annual meeting and the other to serve until the second annual meeting after their election. Thereafter, each successor shall be elected to serve for a two-year term.

3.3 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, or by a sole remaining director. Each person so elected shall be a director until a successor is elected to fill the unexpired term at the next annual meeting of the Association or the next special meeting of the Association called for that purpose. Vacancies in interim directors shall be filled by developer.

3.4 Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors, other than interim directors, may be removed with or without cause by a majority vote of the unit owners present in person or by proxy, and a successor shall be elected at that meeting to fill the vacancy thus created. The notice of any such meeting shall state that such removal is to be considered, and any director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

3.5 Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law or by the declaration or by these bylaws may not be delegated to the Board of Directors by the unit owners. The powers and duties to be exercised by the Board of Directors shall include, but shall not be limited to the following:

3.5.1 Operation, care, upkeep, maintenance and repair of the general and limited common elements.

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

3.5.3 Collection of the common expenses from the unit owners.

3.5.4 Employment and dismissal of such personnel as necessary for the efficient maintenance, upkeep and repair of the common elements.

3.5.5 Employment of legal, accounting or other personnel for reasonable compensation to perform such services as may be required for the proper administration of the Association.

3.5.6 Opening of bank accounts on behalf of the Association and designating the signatories required therefor.

3.5.7 Purchasing units of the condominium at foreclosure or other judicial sales in the name of the Association, or its designee, on behalf of all the unit owners as provided in these bylaws.

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

3.5.9 Obtaining insurance or bonds pursuant to the provisions of these bylaws.

3.5.10 Making additions and improvements to, or alterations of, the common elements; provided, however, that no such project may be undertaken by the Board if the total cost will exceed the amount of \$10,000 unless the unit owners have enacted a resolution authorizing the project by a vote of seventy-five percent (75%) of the unit owners present in person or by proxy at a meeting at which a quorum is constituted. This limitation shall not be applicable to repairs or maintenance undertaken pursuant to paragraph 3.5.1 above.

3.5.11 Designating one or more committees which, to the extent provided in the resolution designating the committee, shall have the powers of the Board of Directors in the management of the affairs of the Association. At least one member of each committee shall be a member of the Board of Directors.

3.5.12 Enforcement by legal means of the provisions of the Oregon Unit Ownership Law, the declaration, these bylaws and any rules and regulations adopted hereunder.

3.6 Managing Agent or Manager. On behalf of the Association, the Board of Directors may employ or contract for a managing agent or a manager at a compensation to be established by the Board of Directors. Any such management agreement shall be terminable by the Association for cause upon 30 days' written notice thereof, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods. The Board of Directors may delegate to the managing agent or manager such duties and powers as the Board of Directors may authorize. In the absence of such appointment, the Board of Directors shall act as manager.

3.7 Organizational Meeting. Within fourteen (14) days following the annual meeting of the Association or following any meeting at which an election of directors has been held, the Board of Directors shall hold an organization meeting at such place and time as shall have been fixed by the directors at the meeting at which the election was held.

3.8 Regular and Special Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Special meetings of the Board of Directors may be called by the chairman and must be called by the secretary at the written request of at least two directors. Notice of any special meeting shall be given to each director, personally or by mail, telephone or telegraph at least seven (7) days prior to the day named for such meeting, and shall state the time, place and purpose of such meeting. All meetings of the Board of Directors shall be open to unit owners. Such meetings may be conducted by telephone communication, except that if a majority of the units are principal residences of the occupants, then: (a) for other than emergency meetings, notice of each Board of Directors' meeting shall be posted at a place or places on the property at least three (3) days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform the unit owners of such meeting; and (b) only emergency meetings of the Board of Directors may be conducted by telephone communication.

3.9 Waiver of Notice. Any director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall constitute a waiver by him of notice of the time and place thereof, except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all of the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.10 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors less than a quorum should be present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.11 Compensation. No director shall receive any compensation from the Association for acting as such.

3.12 Liability and Indemnification of Directors, Officers, Manager or Managing Agent. The directors and officers shall not be liable to the Association of the unit owners for any mistake of judgment, negligence, or otherwise except for their own willful misconduct or bad faith. The Association shall indemnify and hold harmless each director and officer and the manager or managing agent, if any, against all contractual liability to others arising out of contracts made by the Board of Directors, officers, manager or managing agent on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the declaration or of these bylaws. Each director and officer and the manager or managing agent, if any, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be a party, or which they may become involved, by reason of being or having been a director, officers, manager or managing agent and shall be indemnified upon any reasonable settlement thereof; provided, however, there shall be no indemnity if the director, officer, manager or managing agent is adjudged guilty of willful nonfeasance, misfeasance or malfeasance in the performance of his duties.

3.13 Insurance. The Board of Directors shall obtain the insurance required in Article 8 of these bylaws. In addition, the Board of Directors, in its discretion, may obtain such other insurance as it deems necessary to protect the interests of the Association or unit owners. The Board of Directors shall conduct an annual insurance review which, if appropriate, shall include an appraisal of all improvements contained in the condominium.

ARTICLE 4

OFFICERS

4.1 Designation. The principal officers of the Association shall be the chairman, the secretary and the treasurer, all of whom shall be elected by the Board of Directors. The directors may appoint a vice chairman, as assistant treasurer, as assistant secretary, and such other officers as in their judgment may be necessary. The chairman shall be a member of the Board of Directors, but the other officers need not be directors or unit owners.

4.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board. If any office shall become vacant, the Board of Directors shall elect a

successor to fill the unexpired term at any regular meeting of the Board of Directors called for such purpose.

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

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

4.5 Secretary. The secretary shall keep the minutes of all proceedings of the Board of Directors and the minutes of all meetings of the Association. The secretary shall attend to the giving and serving of all notices to the unit owners and directors and other notices required by law. The secretary shall keep the records of the Association, except for those of the treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the chairman. Any such duties may be delegated to the manager by a majority vote of the Board. In addition, the secretary shall act as vice chairman, taking the place of the chairman and performing his duties whenever the chairman is absent or unable to act, unless the directors have appointed another vice chairman.

4.6 Treasurer. The treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of required financial statements. The treasurer shall be responsible for the deposit of all moneys and other valuable effects in such depositories as may from time to time be designated by the Board of Directors, and he shall disburse funds of the Association upon properly authorized vouchers. Any such duties may be delegated to the manager by a majority vote of the Board. He shall perform all other duties incident to the office of treasurer of an association and such other duties as may be assigned to him by the Board of Directors.

4.7 Execution of Instruments. All agreements, contracts, deeds, leases and other instruments of the Association, except checks, shall be executed by such person or persons as may be designated by general or special resolution of the Board of Directors and, in the absence of any general or special resolution applicable to any such instrument, then such instrument shall be signed by the chairman. All checks shall be signed by the treasurer, or in his absence or disability, by the chairman or any duly elected assistant treasurer.

4.8 Compensation of Officers. No officer who is a member of the Board of Directors shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the unit owners. The Board of Directors may fix any compensation to be paid to any officers who are not also directors.

ARTICLE 5

BUDGET, EXPENSES AND ASSESSMENTS

5.1 Budget. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association, estimate the common expenses excepted to be incurred, less any previous overassessment, and assess the common expenses to each unit owner in the proportion set forth in Section 8.1 of the declaration. The budget shall provide for an adequate reserve fund for maintenance, repairs and replacement of those common elements which must be replaced on a periodic basis. The Board of Directors shall advise each unit owner in writing of the amount of common expenses payable by him, and furnish copies of each budget on which such common expenses are based to all unit owners and, if requested, to their mortgagees.

5.2 Determination of Common Expenses. Common expenses shall include:

5.2.1 Expenses of administration.

5.2.2 Expenses of maintenance, repair or replacement of common elements.

5.2.3 Cost of insurance or bonds obtained in accordance with these bylaws.

5.2.4 A general operating reserve.

5.2.5 Reserve for replacements and deferred maintenance.

5.2.6 Any deficit in common expenses for any prior period.

5.2.7 Utilities for the common elements and other utilities with a common meter or commonly billed, such as water, sewer and trash collection.

5.2.8 Any other items properly chargeable as an expense of the Association.

5.3 Assessment of Common Expenses. All unit owners shall be obliged to pay common expenses assessed to them by the Board of Directors on behalf of the Association pursuant to these bylaws and the declaration. Assessments may not be waived due to limited or nonuse of common elements. Assessments shall commence upon closing of the first sale of a unit in the condominium, and at the time of closing of the initial sale of each unit, the purchaser shall make an initial contribution to the working capital of the Association equal to two month's of Association assessments. The Board of Directors, on behalf of the Association, shall assess the common expenses against the unit owners from time to time, and at least annually, and shall take prompt action to collect from a unit owner any common expense due which remains unpaid by him for more than thirty (30) days from the due date for its payment. If additional units are annexed to the condominium, the Board of Directors shall promptly prepare a new budget reflecting the addition to the condominium and shall recomputed any previous assessment covering any period after the annexation.

5.4 Special Assessments.

5.4.1 Capital Improvements. In the case of any duly authorized capital improvement to the common elements, the Board of Directors may by resolution establish separate assessments for the same, which may be treated as capital contributions by the unit owners, and the proceeds of which shall be used only for the specific capital improvements described in the resolution.

5.4.2 Reserve Trust Funds. In establishing reserves for the maintenance, repair or replacement of the common elements, the Board of Directors may elect by resolution to establish one or more trust funds for the maintenance, repair or replacement of specific items, in which case the Board shall either designate part of the regular assessment or establish separate assessments for such purposes. The proceeds therefrom shall be held in such trust funds and used only for the designated maintenance, repair or replacements.

5.5 Default in Payment of Common Expenses. In the event of default by any unit owner in paying to the Association the assessed common expenses, such unit owner shall be obligated to pay interest at the rate of ten percent (10%) per annum on such common expenses from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Association whether or not suit or action is filed. The Board of Directors shall have the right and duty to recover for the Association such common expenses, together with interest thereon, and expenses of the proceeding, including attorneys' fees, by an action brought against such unit owner or by foreclosure of the lien upon the unit granted by the Oregon Condominium Act. The Board of Directors shall notify the holder of any first mortgage upon a unit of any default not cured within thirty (30) days of the date of default.

5.6 Foreclosure of Liens for Unpaid Common Expenses. In any suit brought by the Association to foreclose a lien on a unit because of unpaid common expenses, the unit owner shall be required to pay a reasonable rental for the use of the unit during the pendency of the suit, and the plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect such rental. The Board of Directors, acting on behalf of the Association, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey, or otherwise deal with the unit. A suit or action to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing the liens securing the same.

5.7 Statement of Common Expenses. The Board of Directors shall promptly provide any unit owner who makes a request in writing with a written statement of his unpaid common expenses.

5.8 First Mortgages. Any lien of the Association against a unit for common expenses shall be subordinate to tax and assessment liens and any first mortgage or deed of trust of record. Where the purchaser or mortgagee of a unit obtains title to the unit as a result of foreclosure of a first mortgage or by deed in lieu of foreclosure, such purchaser or mortgagee, his successors and assigns, shall not be liable for any of the common expenses chargeable to such unit which became due prior to the acquisition of title to such unit by such purchaser or mortgagee. Such

unpaid share of common expenses shall be a common expense and reallocated on a prorate basis to all units, including the mortgaged unit.

ARTICLE 6

RECORDS AND AUDITS

6.1 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.

6.2 Records of Receipts and Expenditures. The Board of Directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common elements, itemizing the maintenance and repair expenses of the common elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the unit owners and mortgagees during normal business hours.

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

6.4 Payment of Vouchers. The treasurer shall pay all vouchers up to \$2,000 signed by the chairman, managing agent, manager or other person authorized by the Board of Directors. Any voucher in excess of \$2,000 shall require the signature of the chairman.

6.5 Reports and Audits. An annual audited review of the financial statements reflecting the assets, liabilities, net worth, receipts and expenditures of the Association shall be rendered by the Board of Directors to all unit owners and to all mortgagees of units who have requested the same within 150 days after the end of each fiscal year. At any time any owner or mortgagee may, at his own expense, cause an audit or inspection to be made of the books and records of the Association.

6.6 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 said vendee, mortgagee, lessee, or tenant.

ARTICLE 7

MAINTENANCE AND USE OF CONDOMINIUM PROPERTY

7.1 Maintenance and Repair. Except as otherwise provided herein for damage or destruction caused by casualty:

7.1.1 Units. All maintenance of and repairs to any unit shall be made by the owner of such unit, who shall keep the same in good order, condition and repair and shall do all redecorating, painting and staining which at any time may be necessary to maintain the good appearance and condition of his unit. In addition, each unit owner shall be responsible for the maintenance, repair, or replacement of windows and doors and any plumbing, heating or air conditioning fixtures, telephones, water heaters, fans, lighting fixtures and lamps, fireplaces, refrigerators, dishwashers, ranges, or other appliances and accessories that may be in or connected with his unit.

7.1.2 Common Elements. All maintenance, repairs and replacements to the general and limited common elements shall be made by the Association and shall be charged to all the unit owners as a common expense. Each unit owner, however, shall keep the limited common elements which pertain to his unit in a neat, clean and sanitary condition.

7.2 Additions, Alterations or Improvements. A unit owner shall not, without first obtaining written consent of the Board of Directors, make or permit to be made any structural alteration, improvement, or addition in or to his unit, or in or to the exterior of the buildings or any other general or limited common elements. The Board of Directors may refer the matter to any architectural control committee or similar committee established for this purpose. A unit owner shall make no repair or alteration or perform any other work on his unit which would jeopardize the soundness or safety of the property, or reduce the value thereof or impair any easement or hereditament unless the written consent of the Board of Directors is obtained. A unit owner shall not paint or decorate any portion of the exterior of the buildings or other general or limited common elements without first obtaining written consent of the Board of Directors or any committee designated by the Board of Directors for such purpose. As a condition of approving any alteration, improvement or addition to any unit or the common elements, the Board may require an owner to sign a Modification Agreement, which may include without limitation, the obligation of the owner to maintain, repair and replace the alteration, improvement or addition at his or her cost and such owner's responsibility and liability for any damage caused to the common elements resulting from the alteration, improvement or addition. The Board may require any owner who made any alteration, improvement or addition, prior to the adoption of these bylaws, to enter into such Modification Agreement.

7.3 Damage or Destruction by Casualty of Condominium Property.

7.3.1 In the event of damage or destruction by casualty of condominium property, the damage or destruction shall be repaired, reconstructed or rebuilt unless, within fourteen (14) days of such damage or destruction, the Board of Directors or more than ten percent (10%) of the unit owners shall have requested a special meeting of the

Association. Such special meeting must be held within sixty (60) days of the date of damage or destruction. At the time of such meeting, unless ninety percent (90%) of the unit owners, whether in person, by writing or by proxy, vote not to repair, reconstruct or rebuild the damaged property, the damage or destruction shall be repaired, reconstructed or rebuilt. In the case of substantial damage or destruction, timely written notice thereof shall be given to the unit owners and their mortgagees.

7.3.2 The Association shall be responsible for repairing, reconstructing or rebuilding all such damage or destruction to the common elements and, to the extent of the Association's insurance coverage, all such damage or destruction to the units. Each unit owner shall be responsible for such repairing, reconstructing or rebuilding of his unit as is not covered by the Association's insurance.

7.3.3 If, due to the act or neglect of a unit owner, or of a member of his family or his household pet or of a guest or other authorized occupant or visitor of such unit owner, damage shall be caused to the common elements or to a unit owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a common expense, then such unit owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Association, to the extent not covered by the Association's insurance. Such obligation shall be treated as a common expense and shall be enforceable as provide in Article 5.

7.3.4 In the event the insurance proceeds paid to the Association are not used to repair, reconstruct or rebuild the damaged or destroyed property, the Association shall distribute the proceeds among the unit owners and their mortgagees (as their interests may appear) in the same proportion as their respective undivided interest in the general common elements.

7.4 Condemnation. In the event of a taking in condemnation by eminent domain of part or all of the common elements, the award made such taking shall be payable to the Association. If such proceedings are instituted or such acquisition is sought by a condemning authority as to any portion of the property, prompt written notice thereof shall be given to the unit owners and their mortgagees. If seventy-five percent (75%) or more of the unit owners duly and promptly approve the repair or restoration of such common elements, the Board of Directors shall arrange for the same, which shall be paid out of the proceeds of the award. In the event seventy-five percent (75%) or more of the unit owners do not duly and promptly approve the repair and restoration of such common elements, the Board of Directors shall disburse the net proceeds of such award to the unit owners and their mortgagees (as their interests may appear) in the same proportions as the respective undivided interests of the unit owners in the general common elements.

7.5 Restrictions and Requirements Respecting Use of Condominium Property. The following restrictions and requirements are in addition to all other restrictions and requirements contained in the the declaration and these bylaws:

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

7.5.2 Use of Common Elements. The common elements shall be used for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of the units. The use, operation and maintenance of the common elements shall not be obstructed, damaged or unreasonably "interfered" with by any unit owner.

7.5.3 Offensive or Unlawful Activities. No noxious or offensive activities shall be carried on in any unit nor shall anything be done or placed upon any unit which interferes with or jeopardizes the enjoyment of other units or the common elements or which is a source of annoyance to residents. Unit occupants shall exercise extreme care not to make noises which may disturb other unit occupants, including the use of musical instruments, radios, televisions and amplifiers. No unlawful use shall be made of the condominium nor any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

7.5.4 Animals. No dogs or other animals or fowls shall be raised, kept or permitted within the condominium or any part of the condominium, except domestic cats, or other small domestic pets kept within a unit. No such pets shall be permitted to run at large nor shall more than one domestic cat be permitted per unit nor may any other pet be kept, bred or raised for commercial purposes or in unreasonable numbers. Any inconvenience, damage or unpleasantness caused by any pets shall be the responsibility of the respective owner. Dogs are not permitted on the condominium property. A unit owner may be required to remove a pet otherwise permitted under these regulations after receipt of two notices in writing from the Board of Directors of violations of any rule, regulation or restriction governing pets within the condominium.

7.5.5 Exterior Lighting or Noisemaking Devices and Antennas. Except with the consent of the Board of Directors of the Association or manager, no exterior lighting or noise making devices shall be installed or maintained on any unit and no antennas or transmitting towers shall be affixed to the general or limited common elements.

7.5.6 Windows, Decks and Outside Walls. In order to preserve the attractive appearance of the condominium the Board of Directors of the Association or the manager may regulate the nature of items which may be placed in or on windows, decks and the outside walls so as to be visible from other units, the common elements, or outside the condominium. Garments, rugs, laundry and other similar items may not be hung from windows, facades or decks.

7.5.7 Trailers, Campers, Boats, etc. Except with the consent of the Board of Directors of the Association or the manager, no trailer, truck camper, motorcycle, boat or boat trailer, or other recreational vehicles or vehicle in a state of disrepair shall be parked on any portion of the condominium, except in any areas designated for such purpose by the Board of Directors.

7.5.8 Leasing and Rental of Units.

7.5.8.1 Definitions. The Leasing or Renting of a unit by its owner shall be governed by the provisions of this Section. "Lease," "Leasing," "Rent" or "Renting" a unit means the granting of a right to use or occupy a unit, for a specified term of indefinite term (with Rent reserved on a periodic basis), in exchange for the payment of rent (that is, money, property or other goods or services of value); but shall not mean and include joint ownership of a unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership. "Owner-Occupied" shall mean any period during which the unit is vacant or is occupied and no rent is charged such occupants.

7.5.8.2 Rental Restriction. No owner may Lease or Rent less than his/her entire unit. No unit owner may Rent or Lease his/her unit for hotel or transient purposes or for a period of less than thirty (30) days. Provided, except in the event of a hardship, as defined below, the maximum number of units that may be non-Owner-Occupied shall not exceed thirty-five percent (35%) of all units (*i.e.*, 95 units). Occupancy shall be limited to the lessees, their household members, visitors and guests. Except as provided in this Section, any owner of a unit may not enter into any Rental arrangement for such unit except in compliance with this Section.

7.5.8.3 Exempt Units. The restriction on the number of units that may be Rented or Leased shall not apply to a lender in possession of a unit following a default in the first mortgage, a foreclosure proceeding or any deed or assignment in lieu of foreclosure or any unit owner of record, as of the date of recording of these bylaws hereinafter referred to as an "Exempt Unit." However, the Leased unit shall count towards the thirty-five percent (35%) or forty percent (40%) threshold for purposes of calculating whether an owner may Rent their unit after the date of recording hereof. An owner with one Exempt Unit is not entitled to the exemption with respect to any other unit acquired after the date this amendment is recorded. The Renting restrictions contained in this Section apply independently to each unit owned by an owner and exemptions may not be transferred to an owner's successors and assigns, including, but not limited to, persons who acquire a unit through inheritance or gift.

7.5.8.4 Hardship. If the thirty-five percent (35%) threshold set forth in subparagraph 7.5.8.2 has already been reached, a unit owner may apply to the Board of Directors for a hardship-based exception to the thirty-five percent (35%) threshold; provided, however, that no hardship-based exception shall be granted if doing so causes the non-Owner Occupancy rate to exceed forty percent (40%) of

all units (*i.e.*, 109 units). The following situations may be considered for hardship-based exceptions: (1) if the unit owner or his/her spouse relocates for work or educational purposes; (2) if the unit owner dies, is hospitalized for a protracted illness, or is placed in a nursing home or a convalescent home or other facility or with family members due to illness; and (3) if inability to rent a unit will result in serious financial hardship to the owner. The Board of Directors, in its sole and unfettered discretion, shall determine whether a unit owner's situation meets any of the factual situations set forth above and thus qualifies for a hardship-based exception. It may then grant such exception only if doing so would not cause the percentage of non-Owner-Occupied units to exceed forty percent (40%). Owners granted a hardship-based exception must reapply for the exception in writing to the Board every six (6) months. The Board in its sole and unfettered discretion shall determine if the hardship-based exception shall continue to apply.

7.5.8.5 Procedure. Prior to entering into any Lease agreement, a unit owner shall notify the Board of Directors in writing of his/her intent to Lease or Rent such owner's unit and the name and address of the proposed tenant. Within fifteen (15) days of such notification, the Board shall advise the owner of whether such proposed tenancy would or would not exceed the thirty-five percent (35%) restriction and, if it would exceed such restriction, the Board shall place the owner on a waiting list and shall notify such owner when such owner's unit may be Rented. Provided, however, an owner on the waiting list may apply for a hardship exemption if such owner believes the circumstances are appropriate for such an exemption. Once a unit owner is notified that his/her unit may be Rented, such owner, within ninety (90) days from the date of such notice, shall enter into a Lease with a tenant. If a notified owner has not entered into such a Lease within such period, the Board shall place such owner at the end of the waiting list and shall notify the next owner on such list that he/she may Rent his/her unit. An owner who receives permission from the Board to Rent his/her unit may continue to Rent such unit upon the expiration or termination of each tenancy, provided that, if for any period exceeding thirty (30) days the unit becomes Owner-Occupied, the owner no longer may Rent the unit and shall reapply to the Board.

7.5.8.6 Compliance With Documents. Tenants of all owners, including tenants of an Exempt Unit, shall be subject to the terms of the declaration, bylaws, and rules and regulations of the Association and the Board of Directors. Each Lease agreement shall provide that the terms of the Lease shall be subject in all respects to the provisions of the declaration, bylaws, and rules and regulations and that any failure by a lessee to comply with the terms thereof shall be a default under the Lease. Each tenant shall be provided copies of the declaration, bylaws and rules and regulations by the owner of the unit being Leased at the beginning of the Lease term and thereafter with any amendments to such documents. A unit owner may be assessed personally for any expenses incurred by the Association resulting from damage to the common elements caused by such owner's tenant. After giving notice and an opportunity to be heard, owners may be fined or required to evict their tenant for their tenant's noncompliance with any provision

of the declaration, bylaws and rules and regulations, and such fines and attorney's fees and costs incurred by the Association (whether or not suit or action is filed) shall be collectible as assessments as elsewhere provided in the bylaws. The unit owner shall provide a fully executed copy of each Lease to the Board of Directors. All owners, including owners of Exempt Units, are subject to this subsection.

7.5.8.7 Enforcement. If a unit owner fails to follow the procedures set forth in this Section with respect to the Leasing of his/her unit, at any time after learning of such Leasing, the Board of Directors may charge such owner an administrative fee of One Hundred Fifty Dollars (\$150), which may be increased each calendar year by a majority vote of the Board not to exceed five percent (5%) per year. The purpose of the fee is to reimburse the Association for time, costs and expenses of management time incurred to obtain information about the tenant and to provide such tenant with copies of Association documents. Provided, however, that charging an owner an administrative fee and/or providing such owner's tenant with copies of Association documents shall not bar or limit the Association's remedies arising from such owner's violations of the provisions of the declaration, bylaws and rules and regulations, including, without limitation, the right to fine the owner up to Fifty Dollars (\$50) per day, the right to sue for an injunction, for damages and to require the owner to remove the tenant in the event that the tenancy violates any provision of this Section or the tenant violates any provision of the declaration, bylaws or rules and regulation promulgated thereunder. The unit owner shall be obligated to all attorney's fees and costs incurred by the Association in enforcing this Section whether or not suit or action is filed.

7.5.9 Signs. Unless written approval is first obtained from the Board of Directors, no sign of any kind shall be displayed to the public view on or from any unit or the common elements except signs used by the developer to advertise units for sale or lease.

7.5.10 Trash. No part of any unit or any part of the common elements shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. No garbage, trash or other waste shall be kept or maintained on any part of the property except in sanitary containers in the designated areas.

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

7.5.12 Water Beds. Water beds may not be placed in any unit except with the prior consent of the Board of Directors or manager. If such consent is given, the unit owner shall be responsible for all damages to any unit or the common elements which might be caused by the waterbed.

7.5.13 Association Rules and Regulations. In addition, the Board of Directors from time to time may adopt, modify, or revoke such rules and regulations governing the conduct of persons and the operation and use of the units and common elements as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the condominium property. Such action may be modified by vote of not less than seventy percent (70%) of the unit owners present, in person or by proxy, at any meeting, the notice of which shall have stated that such modification or revocation or rules and regulations will be under consideration. A copy of the rules and regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the secretary promptly to each unit owner and shall be binding upon all unit owners and occupants of all units from the date of delivery.

7.6 Right of Entry. A unit owner shall grant the right of entry to the Board of Directors, managing agent, manager or any other person authorized by the Board of Directors in the case of any emergency originating in or threatening his unit or other condominium property, whether or not the owner is present at the time. A unit owner shall also permit such persons to enter his unit for the purpose of performing installations, alterations or repairs to any common element and for the purpose of inspection to verify that the unit owner is complying with the restrictions and requirements described in Section 5 of this Article, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner.

7.7 Abatement and Enjoining of Violations. The violation of any rule or regulation adopted hereunder or the breach of any bylaw contained herein or of any provision of the declaration shall give the Board of Directors, acting on behalf of the Association, the right, in addition to any other rights set forth in these bylaws:

7.7.1 To enter the unit in which or as to which such violation exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty of any manner of trespass; or

7.7.2 To enjoin, abate, or remedy such thing or condition by appropriate legal proceedings; or

7.7.3 To levy reasonable fines, after giving notice and an opportunity to be heard.

Any expense incurred by the Association in remedying the default, damage incurred by the Association or unit owners, or fines so levied shall be assessed against the offending unit as a common expense and enforced as provided in Article 5. In addition, any aggrieved unit owner may bring an action to recover damages or to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

7.8 Satellite Dishes and Antennas. Except as otherwise provided by law or this section, no exterior antennas, satellite dishes, microwave, aerial, tower or other devices for the transmission or reception of television, radio or other forms of sound or electromagnetic

radiation shall be erected, constructed or placed on any unit or any common elements. Only exterior satellite dishes or antennas with a surface diameter of one (1) meter or less and antennas designed to receive television broadcast signals or multi-channel multi-point distribution (wireless cable), may be placed on a limited common element if it is securely mounted in such a manner that it may not become dislodged. Owners installing permitted satellite dishes or antennas in limited common element areas shall not penetrate into general common element areas. Any damage to the common elements caused by such owner shall be repaired at owner's sole cost and expense. Such cost shall be considered as an assessment and collectible as such as elsewhere provided in the bylaws or declaration. The Board may adopt reasonable rules and regulations governing the installation, safety, placement and screening of such antennas, satellite dishes and other transmission devices. This section and any rules adopted hereunder shall not unreasonably delay or increase the cost of installation, maintenance or use or preclude reception of a signal of acceptable quality.

ARTICLE 8

INSURANCE

8.1 Insurance. For the benefit of the Association and the unit 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 that it is available at reasonable cost:

8.1.1 A policy or policies of insurance covering loss or damage from fire, with extended coverage endorsement, and such other coverages such as flooding, which the Association may deem desirable, for not less than the full insurable replacement value of the units and common elements. Such policy or policies shall name developer, the Association and the unit owners as insureds, as their interest may appear, and shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees of each unit, if any.

8.1.2 A policy or policies insuring the Association, the Board of Directors, the unit owners and the managing agent, against liability to the public or to the owners of units and of common elements, and their invitees or tenants, incident to the ownership or use of the property. There may be excluded from such policy or policies coverage of a unit owner (other than as a member of the Association or Board of Directors) for liability arising out of acts or omission of such unit owner and liability incident to the ownership and/or use of the part of the property as to which such unit owner has the exclusive use or occupancy. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) on a combined single limit basis. Such policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured; and

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

Each unit owner shall obtain, at his own expense, insurance covering his property not insured under paragraph 8.1.1 above, against his liability not covered under paragraph 8.1.2 above, and for the "deductible" under any Association policy.

8.2 Policies. Insurance obtained by the Association shall be governed by the following provisions:

8.2.1 All policies shall be written with the State of Oregon or a company licensed to do business in the State of Oregon and holding a commissioner's rating of "A-," and a size rating of "VIII," or better by the Best's Insurance Reports current at the time the insurance is written or, prior to the initial meeting of the Association, once acceptable to developer.

8.2.2 All losses under policies hereafter in force regarding the property shall be settled exclusively with the Board of Directors or its authorized representative. Proceeds of the policies shall be paid to the Association as trustee for the unit owners, or, upon demand of any mortgagee, to an insurance trustee acceptable to the Association and mortgagees of units.

8.2.3 Each unit owner shall be required to notify the Board of Directors of all improvements made by the owner to his unit, the value of which is in excess of One Thousand Dollars (\$1,000). Nothing in this paragraph shall permit an owner to make improvements without first obtaining the approval of the Board of Directors pursuant to Article 7, Section 7.2.

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

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

8.3.1 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.

8.3.2 A provision that the master policy on the condominium cannot be cancelled, invalidated or suspended on account of the conduct of any one or more individual owners.

8.3.3 A provision that the master policy on the condominium cannot be cancelled, 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.

8.3.4 A provision that any “no other insurance” clause in the master policy exclude individual owner’s policies from consideration, and a waiver of the usual proration clause with respect to such policies.

8.3.5 A provision that the insurer issue subpolicies specifying the portion of the master policy earmarked for each owner’s interest and that until the insurer furnished written notice and a grace period to the mortgagee insured under the loss payable clause thereof, the mortgagee’s coverage is neither jeopardized by the conduct of the unit mortgagor-owner, the Association, or other unit owners nor cancelled for nonpayment of premiums.

8.3.6 A rider on the master policy patterned after “Use and Occupancy” insurance which will provide relief from monthly assessments while a unit is uninhabitable by the payment of the condominium expenses thereof and any other fixed costs, including, but without being limited to, taxes, rent, insurance, and mortgage payments. The proceeds from any casualty policy, whether held by the Association or a unit owner, payable with respect to any loss or damage to the common elements, shall be held in trust for the benefit of all insureds as their interest may appear.

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

8.4 FNMA and GNMA Requirements. Notwithstanding any other provisions of this Article, the Association shall continuously maintain in effect such casualty, flood, liability insurance and fidelity insurance no less than \$50,000 or meeting the insurance and fidelity requirements for condominium projects established by Federal National Mortgage Association and Government National Mortgage Association, so long as either is a mortgagee or Owner of a unit within the condominium, except to the extent such coverage is not available or has been waived in writing by Federal National Mortgage Association or Government National Mortgage Association.

8.5 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 shall take into consideration, among other factors, 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. The Association may assess such owner the amount of the Association’s “deductible” under its policy to pay the cost of repairing or reconstructing such owner’s unit or limited 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.

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 not

covered by the Association's policy (because of the deductible amount or because the claim for loss or damage is one not normally covered by fire and property loss insurance policies with extended coverage endorsements); or (b) for any damage or loss to the owner's or tenant's personal property. Owners shall be responsible for purchasing insurance policies insuring their units and appurtenant limited common elements for any losses below the deductible amount under the Association's policies and for insuring their own personal property for any loss or damage. Tenants shall be responsible for insuring their own personal property for any loss or damage. The Board of Directors shall notify all owners of the amount of the deductible under the Association policies. To the extent reasonably practicable, the Board of Directors shall give at least thirty (30) days' notice to the owners of any increase in the deductible proposed in renewal or replacement insurance policies. Owners and tenants of all units shall procure and maintain comprehensive liability policies having combined limits of not less than One Hundred Thousand dollars (\$100,000) for each occurrence. Such insurance shall provide coverage for, without limitation, the negligent acts of the owner(s) and tenant(s) and their guests or other occupants of the unit(s) for damage to the general and limited common elements and other units and the personal property of others located therein.

ARTICLE 9

AMENDMENTS TO BYLAWS

9.1 How Proposed. Amendments to the bylaws shall be proposed by either a majority of the Board of Directors or by thirty percent (30%) of the unit owners. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon.

9.2 Adoption. A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the unit owners and may be approved by the unit owners at a meeting called for this purpose. Unit owners not present at the meeting considering such amendment may express their approval in writing or by proxy. Any resolution must be approved by a majority of the unit owners. Neither Article 5, Section 5.8, or any other provision of these bylaws which is for the benefit of mortgagees may be amended without the written consent of all mortgagees.

9.3 Execution and Recording. An amendment shall not be effective until certified by the chairman and secretary of the Association, approved by the Real Estate Commissioner, and recorded as required by law.

ARTICLE 10

MISCELLANEOUS

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

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

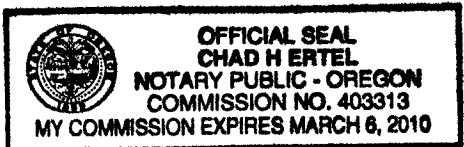
10.3 Invalidity; Number; Captions. The invalidity of any part of these bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these bylaws. As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall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

10.4 Conflicts. These bylaws are intended to comply with the Oregon Condominium Act and the declaration. In case of any irreconcilable conflict, such statute and document shall control over these bylaws or any rules and regulations adopted hereunder.

The undersigned chairman and secretary of the Association of Unit Owners of Sylvan Heights Condominium certify that these bylaws have been approved by the required percentage of votes as required by the Original Bylaws and the Oregon Condominium Act.

DATED at Portland, Oregon, this 17th day of March, 2006.

ASSOCIATION OF UNIT OWNERS OF SYLVAN HEIGHTS CONDOMINIUM



By [Signature]
Chairman

By [Signature]
Secretary

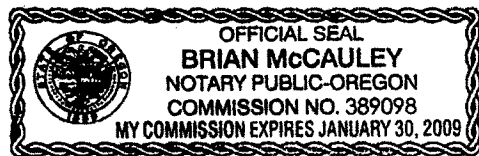
STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me on 3/17/, 2006, by Gabriel Gredwig, chairman of the Association of Unit Owners of Sylvan Heights Condominium.

[Signature]
NOTARY PUBLIC FOR OREGON

STATE OF OREGON)
) ss.
County of Multnomah)

This instrument was acknowledged before me on March 17, 2006, by Brian Olson, secretary of the Association of Unit Owners of Sylvan Heights Condominium.



[Signature]
NOTARY PUBLIC FOR OREGON