

BYLAWS
OF THE
ASSOCIATION OF UNIT OWNERS OF THE
IVY STREET CONDOMINIUMS

ARTICLE I
PLAN OF CONDOMINIUM OWNERSHIP

1.1 **Name and Location.** These are the Bylaws of the Association of Unit Owners of the Ivy Street Condominiums ("Association"). The Ivy Street Condominiums (the "Condominium") is located in the City of Portland, Multnomah County, Oregon, and has been submitted to the provisions of the Oregon Condominium Act (ORS 100.005 *et seq.*) by a Declaration recorded simultaneously herewith (the "Declaration"). The location of the Condominium is more specifically described in the Declaration.

1.2 **Purposes.** The Association is formed under the provisions of the Oregon Condominium Act to serve as the means through which the Unit owners may take action with regard to administration, management, and operation of the Condominium.

1.3 **Applicability of Bylaws.** The Association, all Unit owners, the Declarant and its successors and assigns, and all persons using the Condominium property shall be subject to these Bylaws and to all rules and regulations which may be promulgated hereunder.

1.4 **Composition of the Association.** The Association shall be composed of all the Unit owners of the Condominium, including LARTWO PROPERTIES, LLC, an Oregon limited liability company (herein "Declarant"), and the Association, itself, to the extent any of these own any Unit or Units of the Condominium.

1.5 **Incorporation.** The Association shall be incorporated under the Oregon Nonprofit Corporation Act. The Articles of Incorporation shall be consistent with the Declaration and these Bylaws, and these Bylaws shall constitute the Bylaws of the incorporated Association.

1.6 **Definitions.** The definitions contained in or adopted by the Declaration shall be applicable to these Bylaws. In addition, all definitions as found in ORS 100.005 shall be applicable unless stated otherwise herein.

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ARTICLE II
VOTING

2.1 **Voting.** Each Unit owner shall be allocated one vote in the affairs of the Association for each Unit owned by such owner. The Declarant shall be entitled to vote as the Unit owner of any then existing Units retained by the Declarant, and 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.

2.2 **Determination of Membership in the Association.**

(a) Upon recordation of a conveyance or contract to convey a Unit, the grantee or purchaser named in such conveyance or contract (unless otherwise provided in such contract) shall automatically be a member of the Association and shall remain a member of the Association until such time as such person's ownership ceases for any reason.

(b) Unit ownership shall be determined, for all purposes of the Declaration and these Bylaws, and the administration of the property, from the record of Unit ownership maintained by the Association. The record shall be established by the Unit owner filing with the Association a copy of the deed or land sale contract for such Unit, to which shall be affixed the certificate of the recording officer of Multnomah County, Oregon, showing the date and place of recording of such deed or contract. Notwithstanding the foregoing, the Declarant shall be the owner of all previously unsold Units although no deed or land sale contract, with respect to such Units, has been filed with the Association.

2.3 **Proxies, Absentee Ballots and Rights of Mortgagees.**

(a) **Proxies**

(1) A vote may be cast in person or by proxy. A proxy given by an owner to any person who represents such owner at meetings of the Association shall be in writing, dated and signed by such owner and shall be filed with the secretary in accordance with procedures adopted by resolution of the Board of Directors.

(2) No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy; however, no proxy may be valid for more than a year after the date of execution.

(3) No proxy shall be valid if it purports to be revocable without notice.

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(4) Every proxy shall automatically cease upon sale of the Unit by its owner.

(b) Absentee Ballots. At the discretion of the Board of Directors, a vote may be cast by absentee ballot.

(c) Mortgage Rights.

(1) An owner may pledge or assign such owner's 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 owner is entitled hereunder and to exercise the 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.

(2) Any first mortgagee may designate a representative to attend all or any meetings of the Association.

2.4 Fiduciaries and Joint Owners.

(a) 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 in such capacity, whether or not the same shall have been transferred to his or her name; provided, that such person shall satisfy the secretary that he is the executor, administrator, guardian, or trustee holding such Unit in such capacity.

(b) 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.

2.5 Landlords and Contract Vendors.

(a) Unless otherwise expressly stated in the rental agreement or lease all voting rights allocated to a Unit shall be exercised by the landlord if the rental agreement or lease has an original term of ten (10) years or less, or by the tenant if the rental agreement or lease has an original term of more than ten (10) years.

(b) Unless otherwise stated in the contract, all voting rights allocated to a Unit shall be exercised by the vendee of any land sale contract on the Unit.

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2.6 **Quorum of Unit Owners.** At any meeting of the Association, owners representing the voting rights of three (3) Units, present in person or by proxy, shall constitute a quorum. The subsequent joinder of an 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 member who is present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.7 **Majority Vote.** The vote of owners representing the voting rights of three (3) Units, 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.

ARTICLE III MEETINGS OF THE ASSOCIATION

3.1 **Place of Meeting.** 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.

3.2 **Initial Meeting.** The initial meeting of the Association shall be the first annual meeting of the Association pursuant to the provisions of Section 3.4 below, unless the Turnover Meeting is called by the Declarant prior to the date of the first annual meeting, in which case the initial meeting of the Association shall be the Turnover Meeting.

3.3 **Turnover Meeting.** The Declarant shall call the Turnover Meeting pursuant to the provisions of Section 3.6 in accordance with Article 16 of the Declaration. The purpose of the meeting shall be to organize the Association and to elect directors. If the Turnover Meeting is not called within the time specified, the meeting may be called and notice given by any Unit owner or first mortgagee of a Unit. At the Turnover Meeting:

(a) The Declarant shall relinquish control of the administration of the Association and the Unit owners shall assume the control;

(b) The Unit owners shall elect a Board of Directors in accordance with the Bylaws of the Condominium; and

(c) The Declarant shall deliver to the Association all property of the Unit owners and the Association held or controlled by the Declarant including, but not limited to, the following items, if applicable:

(1) The original or a photocopy of the recorded Declaration and Bylaws of the Condominium and any supplements and amendments thereto.

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(2) A copy of the Articles of Incorporation if the Association is an incorporated association.

(3) The minute books, including all minutes and other books and records of the Association.

(4) Any rules and regulations which have been promulgated.

(5) Resignations of officers and members of the interim Board of Directors.

(6) A report of the present financial condition of the Association. The report shall consist of a balance sheet and an income and expense statement for the preceding twelve (12) month period or the period following the recording of the Declaration, whichever period is less.

(7) The Association's funds or control thereof, including, but not limited to, any bank signature cards.

(8) All tangible personal property that is property of the Association and an inventory of such property.

(9) A copy of the following, if available:

a. The as-built architectural structural, engineering, mechanical, electrical, and plumbing plans.

b. The original specifications indicating thereon all material changes.

c. The plans for underground site service, site grading, drainage, and landscaping, together with cable television drawings.

d. Any other plans and information relevant to future repair or maintenance of the property.

(10) Insurance policies.

(11) Copies of any occupancy permits which have been issued for the Condominium.

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(12) Any other permits issued by governmental bodies applicable to the Condominium in force or issued within one (1) year prior to the date the Unit owners assume control of the administration of the Association.

(13) A list of the general contractor and subcontractors responsible for construction or installation of the major plumbing, electrical, mechanical, and structural components of the common elements.

(14) A roster of Unit owners and their addresses and telephone numbers, if known, as shown on the records of the Declarant.

(15) Leases of the common elements and any other leases to which the Association is a party.

(16) Employment or service contracts in which the Association is one of the contracting parties; or service contracts in which the Association or the Unit owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charges of the person performing the service.

(17) Any other contracts to which the Association is a party.

(d) In order to facilitate an orderly transition during the three (3) month period following the Turnover Meeting, the Declarant or an informed representative shall be available to meet with the Board of Directors on at least three (3) mutually acceptable dates to review the documents delivered under Subsection (3) of this Section.

(e) If the Declarant has complied with this section, unless the Declarant otherwise has sufficient voting rights as a Unit owner to control the Association, the Declarant shall be relieved of any further responsibility for the administration of the Association except as Unit owner of any unsold Unit.

3.4 Annual Meetings. The Association shall hold at least one meeting of the owners each calendar year. The annual meetings of the Association shall be held on or about March 1 of each year at such hour as the chairperson may designate, or if the chairperson should fail to designate such date by January 31, then on February 15 of each year. 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. The method for calling all meetings is set forth in Section 3.6 below.

3.5 Special Meetings. Special meetings of the Association may be called by the chairperson 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 one Unit owner stating the purpose of the

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meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

3.6 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 chairperson or secretary. All notices 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 the meetings may be waived by any Unit owner before or after meetings. When a meeting is adjourned for less than thirty (30) days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

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

- (a) Calling of the roll and certifying of proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees, if any;
- (f) Election of directors;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

3.8 Meeting Procedure. Unless other rules of order are adopted by resolution of the Board of Directors:

(a) Meetings of the Association shall be conducted according to the latest edition of Robert's Rules of Order published by the Robert's Rules Association.

(b) A decision of the Association may not be challenged because the appropriate rules of order were not used unless a person entitled to be heard was denied the right to be heard and raised an objection at the meeting in which the right to be heard was denied.

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(c) A decision of the Association is deemed valid without regarding to procedural errors related to the rules of order one year after the decision is made unless the error appears on the face of a written instrument memorializing the decision.

3.9 Written Ballot in Lieu of a Meeting.

(a) Action by Written Ballot. At the discretion of the Board of Directors, any action that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association, subject to the requirements of Subsection (d) of this Section, delivers a written ballot to every owner that is entitled to vote on the matter.

(b) Form and Effect of Ballot.

(1) The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action.

(2) A written ballot may not be revoked.

(c) Information Required in Ballot Solicitations. All solicitations for votes by written ballot shall:

(1) State the number of responses needed to meet any applicable quorum requirements and the total percentage of votes needed for approval.

(2) Specify the period during which the Association will accept written ballots for counting, which period shall end on the earliest of the following unless the vote is pursuant to the secrecy procedure described in Subsection (d) of this Section:

a. The date on which the Association has received a sufficient number of approving ballots to pass the proposal;

b. The date on which the Association has received a sufficient number of disapproving ballots to render the proposal impossible of passage; or

c. A date certain on which all ballots must be returned to be counted.

(d) Secrecy Procedure.

(1) The Board of Directors must provide owners with at least ten (10) days' notice before written ballots are mailed or otherwise delivered. Such notice shall be delivered in the manner prescribed by the Board and shall inform the Owners that if at least

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three (3) days before written ballots are scheduled to be mailed or otherwise distributed, which date shall be stated, at least ten percent (10%) of the owners petition the Board of Directors requesting the secrecy procedure, the procedure specified in Paragraph (2) of this Subsection must be followed.

(2) If at least three (3) days before written ballots are scheduled to be mailed or otherwise distributed, at least ten percent (10%) of the owners petition the Board of Directors requesting the secrecy procedure, a written ballot must be accompanied by:

- a. A secrecy envelope;
 - b. A return identification envelope to be signed by the owner;
- and
- c. Instructions for marking and returning the ballot.

(e) Determination of Vote. The outcome of a vote by written ballot in lieu of a meeting shall be determined by the Board of Directors within forty-eight (48) hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within forty-eight (48) hours of the postponed date. Matters that may be voted on by written ballot shall be deemed approved or rejected as follows:

(1) If approval of a proposed action would otherwise 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 will be deemed to be approved when the date for return of ballots has passed, a quorum of owners has voted and the required percentage of approving votes has been received. Otherwise the proposal shall be deemed to be rejected.

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

(3) Except as provided in Paragraph (4) of this Subsection, votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date they are entered.

(4) Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

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3.10 Action Without a Meeting.

(a) Any action that may be taken at any annual, regular or special meeting of the Association, may be taken without a meeting and without solicitation of written ballots pursuant to Section 3.9 above, if the action is taken by all of the owners entitled to vote on the action.

(b) The action must be evidenced by one or more written consents describing the action taken, signed by all of the owners entitled to vote on the action, and delivered to the Association for inclusion in the minutes or filing with the Association records.

(c) Action taken under this Section is effective when the last owner signs the consent, unless the consent specifies an earlier or later effective date. A consent signed under this Section has the effect of a meeting vote and may be described as such in any document.

**ARTICLE IV
BOARD OF DIRECTORS**

4.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of two (2) persons all of whom must be a Unit owner or the co-owner of a Unit. The interim Board established by the Declarant may be composed of a minimum of two (2) persons. Owners of the same Unit may not serve as directors simultaneously.

4.2 Interim Directors. Upon the recording of the Declaration submitting the Condominium to the Oregon Condominium Act, the Declarant shall appoint an interim board of two (2) directors, who shall serve until replaced by the Declarant or their successors have been elected by the Unit owners as provided below.

4.3 Election and Term of Office. At the Turnover Meeting called by the Declarant, the interim directors shall resign and two (2) successors shall be elected by a majority vote of the owners present in person or by proxy, provided a quorum is present. Directors shall hold office for a term of one (1) year or until their respective successors have been elected by the Unit owners. Election shall be by plurality.

4.4 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 such person was elected by the other directors to serve.

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4.5 Removal of Directors. At any annual or special meeting, other than a meeting by ballot, any one or more of the directors, other than interim directors, may be removed, with or without cause, by a majority of the owners present in person or by proxy, at a duly constituted meeting and a successor may 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 by the owners may be given an opportunity to be heard at the meeting.

4.6 Powers and Duties. The Board of Directors shall have all 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 these Bylaws may not be delegated to the Board of Directors by the owners.

4.7 Specific Powers and Duties. The powers and duties to be exercised by the Board of Directors shall include, but shall not be limited to the following:

(a) Maintenance of Condominium. Care, upkeep, and supervision of the Condominium, the Association property and the general common elements and limited common elements, if any, for which the Association has maintenance responsibilities;

(b) Bank Accounts. Opening of bank accounts on behalf of the Association and designating the signatories required therefore;

(c) Reserves. Establishing and maintaining replacement reserve accounts and other reserves as required by the Oregon Condominium Act or these Bylaws and such other reserve accounts as are permitted by these Bylaws.

(d) Assessment Collection. Designation and collection of assessments from the owners in accordance with these Bylaws, the Declaration, and the Oregon Condominium Act.

(e) Budget/Voucher System. Establishment of a budget for payment of all common expenses of the Association, and institution and maintenance of a voucher system for payment, which shall require a sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of the Association's funds.

(f) Personnel. 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.

(g) Annual Financial Statement. The preparation and distribution of annual financial statement of the Condominium to each Unit owner in accordance with Section 14.5 below.

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(h) Rules. Promulgation, adoption, amendment and enforcement of administrative rules and regulations governing the details of operation and use of the common elements and rules of conduct for Unit owners, employees, and invitees.

(i) Enforcement. Enforcement by legal means of the provisions of the Oregon Condominium Act, the Declaration, these Bylaws and any rules and regulations adopted thereunder.

(j) Insurance Review. At least annually, the review of the insurance coverage of the Association as provided in Article X below.

(k) Real Estate Agency Annual Report. The filing of the Annual Report and any amendments to the Condominium Information Report to the Real Estate Agency in accordance with ORS 100.250.

(l) Annual Report with Secretary of State. The filing of the Annual Report with the Oregon Secretary of State in accordance with ORS Chapter 65.

(m) Income Tax Returns. Preparation or causing to be prepared and filed any required income tax returns or forms.

(n) Copies of Documents. Compliance by the Association with ORS 100.480 relating to maintenance of documents delivered to the Association by the Declarant and maintenance and distribution of financial statements and maintenance of copies suitable for duplication of the Declaration, Articles of Incorporation, Bylaws, Association rules and regulations and any amendment thereto, the most recent financial statement, and the current operating budget of the Association.

(o) Committees. Establishment of committees and appointment of members thereof as the Board of Directors, in its sole judgment, deems necessary or appropriate to assist the Board in its duties. Committees may include, but are not limited to, landscaping and architectural control.

4.8 Management Agent. The Board of Directors, including the interim Board of Directors, may employ a management agent to be compensated in an amount established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in Section 4.7 of this Article.

4.9 Contracts Entered Into by Declarant or Interim Board. Notwithstanding any other provision of these Bylaws, any leases or contracts (including management contracts, service contracts and employment contracts) entered into by the Declarant or the interim Board on behalf of the Association shall have a term not in excess of three (3) years. In addition, any such lease or contract shall provide that it may be terminated without cause or penalty by the

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Association or Board of Directors upon not less than thirty (30) days' notice to the other party given at any time after election of the permanent Board at the Organizational and Turnover Meeting.

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

4.11 Regular and Special Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Special meetings of the Board of Directors may be called by the chairperson of the Board of Directors, a majority of the Board of Directors, or by fifty percent (50%) of owners. Notice of any special meeting shall be given to each director personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting and shall state the time, place and purpose of such meeting.

4.12 Meeting Procedure. Unless other rules of order are adopted by resolution of the Board of Directors:

(a) Meetings of the Board of Directors shall be conducted according to the latest edition of Robert's Rules of Order published by the Robert's Rules Association.

(b) A decision of the Board of Directors may not be challenged because the appropriate rules of order were not used unless a person entitled to be heard was denied the right to be heard and raised an objection at the meeting in which the right to be heard was denied.

(c) A decision of the Board of Directors is deemed valid without regard to procedural errors related to the rules of order one year after the decision is made unless the error appears on the face of a written instrument memorializing the decision.

4.13 Open Meetings.

(a) All meetings of the Board of Directors shall be open to Unit owners except that, in the discretion of the Board, the following matters may be considered in executive session:

(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; and

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(3) The negotiation of contracts with third parties.

(b) Meetings of the Board of Directors may be conducted by telephonic communication, except that if a majority of the Units are principal residences of the occupants, then:

(1) 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

(2) Only emergency meetings of the Board of Directors may be conducted by telephonic communication.

4.14 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 of notice by such director, except where the 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 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.

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

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

4.17 Liability and Indemnification of Directors, Officers, Manager or Managing Agent.

(a) The directors and officers shall not be liable to the Association for any mistake of judgment, negligence, or otherwise except for their own willful misconduct or bad faith.

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(b) 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.

(c) 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, officer, 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, or malfeasance in the performance of his duties.

4.18 Fidelity Bond. The Board of Directors shall require any person or entity, including, but not limited to, employees of any professional manager who handles or is responsible for Association funds, to furnish such fidelity bond as the Board of Directors deems adequate. The premium on such bonds shall be paid by the Association.

4.19 Insurance. The Board of Directors shall obtain the insurance required in Article X below. 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 V OFFICERS

5.1 Designation and Qualification. The principal officers of the Association shall be a chairperson, a secretary, and a treasurer, all of whom shall be elected by the directors. The directors may appoint any such other officers as in their judgment may be necessary. The Board may vote to combine the offices of secretary and treasurer. The chairperson shall be a member of the Board of Directors, but the other officers need not be directors or Unit owners.

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 held in accordance with Section 4.10 above or any Board of Directors meeting thereafter and shall hold office at the pleasure of the Board of Directors. If any office shall become vacant, the Board shall elect a successor to fill the unexpired term at any meeting of the Board of Directors.

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5.3 **Removal of Officers.** Officers shall hold office at the pleasure of the Board of Directors. 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.

5.4 **Chairperson.** The chairperson shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. The chairperson shall have all of the general powers and duties which are usually vested in the office of chairperson of an association, including, but not limited to, the power to appoint committees from among the owners from time to time as the chairperson may, in his or her discretion, decide is appropriate to assist in the affairs of the Association. The chairperson shall be entitled to vote on all matters at Board of Directors meetings.

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 he or she shall, in general, perform all the duties incident to the office of secretary.

5.6 **Treasurer.** The treasurer shall have responsibility for the Association's 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.

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

5.8 **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 VI BUDGET, EXPENSES AND ASSESSMENTS

6.1 Budget.

(a) **Adoption.** The Board of Directors shall, from time to time and at least annually, prepare a budget for the Association, estimate the common expenses expected to be incurred, less any previous over assessment, and assess the common expenses to each Unit owner in the allocation set forth in the Declaration as provided in these Bylaws. If the Board of Directors fails to adopt an annual budget, the last adopted budget shall continue in effect.

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(b) Budget Summary. Within thirty (30) days after adopting the annual budget for the Association, the Board of Directors shall provide a summary of the budget to all owners.

6.2 Periodic Assessment.

(a) The Board of Directors, on behalf of the Association, shall assess the Unit owners, from time to time and at least annually, and shall take prompt action to collect from a Unit owner any assessment due which remains unpaid for more than thirty (30) days from the due date for its payment.

(b) Until the Turnover Meeting, Unit owners shall be assessed monthly for regular assessments of the Association. Thereafter, the Board of Directors may, by a majority vote of the Board, establish a different assessment schedule. No change to the assessment schedule shall become effective unless affected owners have been given not less than thirty (30) days' written notice of the change.

6.3 Determination of Assessments. The assessment of Units shall include the following items which shall be common expenses:

- (a) Expenses of administration;
- (b) Expenses of maintenance, repair or replacement of common elements or any other portions of the Condominium required to be maintained by the Association pursuant to the Declaration or Bylaws;
- (c) Cost of insurance or bonds obtained in accordance with these Bylaws;
- (d) Reserve for major maintenance and replacements as set forth in Section 6.6 below;
- (e) Any deficit in common expenses for any prior period;
- (f) To the extent not provided for in Article 8 of the Declaration, the cost of utilities for the common elements and other utilities that have a common meter or that are commonly billed, such as water and sewer.
- (g) Any other items properly chargeable as an expense of the Association.

6.4 Association Accounts.

(a) The Association shall maintain two (2) primary accounts and such other accounts as the Board of Directors deems necessary to manage the Association's funds. These

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accounts shall be identified as the:

- (1) General Operating Expense Account;
- (2) Major Maintenance and Replacement Reserve Account, as set forth in Section 6.6 below; and
- (3) Such other accounts as the Board deems necessary.

(b) These accounts shall have allocated to them, those amounts from the monthly assessments, deemed necessary by the Board for the purposes set forth below.

6.5 Assessment of Unit Owners.

(a) Obligation to Pay.

(1) All Unit owners shall be obliged to pay the following types of assessments imposed by the Board of Directors on behalf of the Association pursuant to these Bylaws and the Declaration.

a. Regular Assessments for the following:

(i) Operating Expenses permitted under Section 6.3 above relating to the operation of the Condominium which expenses may include items other than those specified in Section 6.3 above.

(ii) Reserve Expenses required under Section 6.6 below.

b. Special or Extraordinary Assessments as provided below.

c. Assessments for any other charges levied by the Association.

(2) Assessments may not be waived due to limited or non-use of common elements, and no Unit owner may offset amounts owing or claimed to be owing by the Association or Declarant to the Unit owner against such Unit owner's obligation to pay assessments.

(3) Subject to Subsections (d) and (f) below, the Declarant shall be assessed as the Unit owner of any unsold Unit, but such assessment may be prorated between the Declarant and the purchaser to the date of sale of the Unit.

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(b) Initial Working Capital Fund.

(1) The Declarant shall establish an initial working capital fund in an amount equal to three (3) months of estimated regular Association assessments for each Unit. At the time of the initial sale of each Unit, the purchaser shall make an initial contribution to the working capital of the Association equal to three (3) months' regular Association assessment for the Unit. At the time of the Turnover Meeting, the Declarant shall pay such contribution for all unsold Units, but may obtain reimbursement for such sums from the purchaser upon the sale of each such Unit. Such initial contribution shall be in addition to the regular monthly common expense assessment and shall not be considered as an advance payment of regular assessments.

(2) Not later than thirty (30) days after the Turnover Meeting, the Declarant shall pay such contribution for all unsold Units, but may obtain reimbursement for such sums from the purchaser upon the sale of each such Unit; and

(3) Declarant may not use the working capital fund to defray any of Declarant's expenses, reserve contributions, or construction costs or to make up any budget deficits while Declarant is in control of the Association. If the assessments are reduced pursuant to the authority granted to the Declarant under Section 6.5(e) below, the initial deposit to the Association equal to three (3) months of assessments shall be based on the projected amount of such monthly assessment after substantial or full occupancy of the Units, rather than the reduced assessment.

(c) Commencement of Regular Monthly Assessments. Subject to Subsections (d) and (e) below, monthly regular assessments shall commence upon the closing of the first Unit in the Condominium.

(d) Commencement of Assessment for Replacement Reserves.

(1) The portion of the regular monthly assessments allocated for major maintenance and replacement reserves as described in Section 6.6 below shall commence to accrue upon the closing of the sale of the first Unit in the Condominium.

(2) Declarant may elect to defer payment of such maintenance and replacement reserve assessment to the Association for each Unit owned by Declarant until the closing of the sale of such Unit. However, Declarant may not defer payment of accrued assessments for reserves beyond the Turnover Meeting or, if the Turnover Meeting is not held, the date the owners assume administrative control of the Association. Such deferral shall not apply to Declarant's obligation to pay regular operating expense assessments.

(3) Declarant shall deposit the balance due the Association within thirty (30) days after the date due specified in paragraph (2) of this Subsection.

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(e) Deferral of Commencement or Reduction of Assessments.

(1) Election to Defer. Pursuant to ORS 100.530(5), the Declarant may elect to defer commencement of all or part of the assessments attributable to common operating expenses as to all Units in the Condominium. If the Declarant so elects to defer commencement of all or part of such assessments, Declarant shall pay as they accrue and be responsible for all or part of the common operating expenses attributable to the Condominium or the additional Units and related common elements for which assessments have been deferred until assessments commence for all common expenses.

(2) Notice of Commencement. The Declarant shall give not less than ten (10) days' written notice to all affected Unit owners prior to the commencement of assessments if such deferral occurs. Thereafter, each owner, including the Declarant, shall pay the assessments to the Association.

(3) Temporary Reduction of Assessments. If the common operating expenses are temporarily less than projected by the Declarant because some or most of the Units are not yet sold or occupied, the Declarant shall have the authority to reduce temporarily the assessment to reflect the lower expenses of the Condominium. Any such reduction shall not alter the amount of the initial contribution to the working capital fund required by Subsection (b) above.

6.6 Major Maintenance and Replacement Reserve Account.

(a) Establishment of the Reserve Account. The Declarant shall establish a reserve account for major maintenance and replacement of those common elements all or part of which would normally require replacement in more than three (3) or less than thirty (30) years, for exterior painting if the common elements include exterior painted surfaces, and for such other items as may be required by the Declaration or these Bylaws. The reserve fund need not include those items:

- (1) That could reasonably be funded from operating assessments; or
- (2) A reserve for limited common elements for which maintenance and replacements are the responsibility of one or more Unit owners.

(b) Funding of Reserve Account.

(1) The reserve account shall be funded by assessments against individual Units assessed for maintenance of items for which the reserve account is being established which sums shall be included in the monthly regular assessment for the Units, except as provided in Section 6.4(d) above. The reserve portion of the initial assessment determined by the Declarant shall be based on:

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Section;

- a. The reserve study described in Subsection (c) of this
- b. The statement described in ORS 100.655(1)(g); or
- c. Other reliable information.

(2) The books and records of the Association shall reflect the amounts owing from the Declarant for all such assessments for reserves.

(c) Determination of Reserve Account: Reserve Study.

(1) The Board of Directors of the Association annually shall conduct a reserve study, or review and update an existing study to determine reserve account requirements and may:

- a. Adjust the amount of payments as indicated by the study or update; and
- b. Provide for other reserve items that the Board of Directors in its discretion may deem appropriate.

(2) The reserve study shall include:

- a. Identification of all items for which reserves are to be established;
- b. The estimated remaining useful life of each item as of the date of the reserve study;
- c. An estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and
- d. A 30-year plan with regular and adequate contribution, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule.

(d) Use of Reserve Account Funds

(1) The reserve account shall be used only for the purposes for which the reserves have been established and is to be kept separate from other funds.

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(2) After the Turnover Meeting, the Board of Directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet unexpected increases in expenses if the Board has adopted a resolution, which may be an annual continuing resolution, authorizing the borrowing of funds.

(3) Not later than the adoption of the budget for the following year, the Board of Directors shall adopt by resolution a written payment plan providing for repayment within a reasonable time of any unpaid borrowed funds.

(4) The reserve account may be invested by the Board of Directors subject to normal prudent investment standards.

(e) Reduction, Increase or Elimination of Fund. Following the second year after the Association has assumed administrative responsibility for the Condominium at the Turnover Meeting:

(1) By an affirmative vote of at least seventy-five percent (75%) of the owners, the Association may elect to reduce or increase future assessments for the reserve account; and

(2) The Association may, on an annual basis by a unanimous vote, elect not to fund the reserve account.

(f) Reserve Fund Association Property. Assessments paid into the reserve account shall be the property of the Association and are not refundable to owners. Owners may treat their outstanding share of the reserve account as a separate item in any agreement for the sale of their Units.

6.7 Special or Extraordinary Assessments. The Board of Directors shall have the power to levy special assessments against an owner or owners in the following manner for the following purposes:

(a) To correct a deficit in the operating budget by a vote of a majority of the Board.

(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 rules and regulations of the Association, by a vote of a majority of the Board.

(c) To make repairs or renovations to the common elements if sufficient funds are not available from the operating budget (account) or replacement reserves by a vote of a majority of the Board.

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(d) To make capital acquisitions, additions or improvements to the common elements by a vote of at least seventy-five percent (75%) of the votes of those present, in person or proxy, at a meeting called for that purpose if the amount of the expenditure will exceed five thousand dollars (\$5,000).

6.8 Default Payment of Assessments: Enforcement of Lien. If an assessment levied by the Association is not paid within thirty (30) days after its due date (which shall be established by resolution of the Board of Directors), such assessment shall become delinquent and shall be subject to interest, late payment charges and collection costs as set forth in Section 6.12 below. In addition, the Association may exercise any or all of the following remedies:

(a) Association Lien.

(1) Whenever the Association levies any assessment against a Unit, the Association shall have a lien upon the Unit for any unpaid assessments.

(2) At any time any assessment or installment thereof is delinquent, the Association, by and through the Board of Directors or any management agent, may record a notice of lien in the Deed Records of Multnomah County, Oregon which shall include the information specified in ORS 100.450.

(3) When a notice of lien has been recorded and the owner of the Unit thereafter fails to pay any assessments, then so long as the original, or any subsequent unpaid assessments, remains unpaid, such lien shall automatically accumulate all subsequent assessments or installments, including interest, late fees, penalties, fines, attorneys' fees (whether or not suit or action is instituted), and all other appropriate costs properly chargeable to an owner by the Association, until such amounts are fully paid without the necessity of recording any further notices of lien.

(b) Foreclosure of Lien. The Association, by and through the Board of Directors or any management agent, may file a suit to foreclose the lien notice which was recorded under Subsection (a) of this Section.

(1) The proceedings to foreclose the lien shall conform as nearly as possible to the proceedings to foreclose liens created by ORS 87.010, except notwithstanding ORS 87.010, the lien may be foreclosed at any time, but not later than six (6) years after the latest lienable charge has been imposed.

(2) In any suit brought by the Association to foreclose a lien on a Unit because of unpaid assessments, the 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.

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(3) 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 (except for the election of a director), convey, or otherwise deal with the Unit.

(c) Suit or Action. The Association may bring an action to recover a money judgment for unpaid assessments under the Declaration or these Bylaws without foreclosing or waiving the lien described in Subsection (a) of this Section. Recovery on any such action, however, shall operate to satisfy the lien, or the portion thereof for which recovery is made.

(d) Other Remedies. The Association shall have any other remedy available to it by law or in equity.

6.9 Priority of Lien: Prior Mortgages.

(a) Any lien of the Association against a Unit for assessments shall be prior to a homestead exemption and all other liens or encumbrances upon the Unit except:

(1) Tax and assessment liens; and

(2) A prior mortgage or trust deed of record, unless:

a. The Condominium consists of fewer than seven (7) Units, all of which are to be used for nonresidential purposes;

b. The Declaration provides that the lien of any mortgage or trust deed of record affecting the property shall be subordinate to the lien of the Association; and

c. The holder of any mortgage or trust deed of record affecting the property when the Declaration is recorded executes a separate subordination of the holder's interest to the Declaration which is attached as an exhibit and which states that the holder understands that the Declaration subordinates the holder's lien to the assessment lien of the Association.

(b) Notwithstanding the above, pursuant to ORS 100.450(7), the priority established for a lien for unpaid assessments and interest due the Association shall be prior to the lien of any prior mortgage or trust deed for the Unit and the undivided interest in the common elements if:

(1) The Association has given the lender under the mortgage or trust deed ninety (90) days' notice that the owner of the Unit is in default of payment of an assessment. The notice shall contain:

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- a. Name of borrower;
- b. Recording date of trust deed or mortgage;
- c. Recording information;
- d. Name of Condominium, Unit owner and Unit identification; and
- e. Amount of unpaid assessment.

(2) The notice under Paragraph (1) of this Subsection shall set forth the following in ten-point type: NOTICE: The lien of the Association may become prior to that of the lender pursuant to ORS 100.450.

(3) The lender has not initiated judicial action to foreclose the mortgage or requested issuance of a trustee's notice of sale under the trust deed, or accepted a deed in lieu of foreclosure in the circumstances described in ORS 100.465 prior to the expiration of ninety (90) days following the notice by the Association.

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

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

(6) A copy of the notice described in Paragraph (a) of this Subsection has been verified, filed and recorded.

6.10 Deeds in Lieu of Foreclosure. A deed in lieu of foreclosure accepted by the holder of a first mortgage or beneficiary of a first deed of trust with respect to a Unit shall have the effect of extinguishing a lien of the Association filed to secure unpaid assessments in the following circumstances:

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

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

6.11 Liability for Unpaid Assessments.

(a) A Unit owner shall be personally liable for all assessments imposed on the Unit owner or assessed against the Unit.

(b) Subject to Section 6.9 above, where the purchaser of a Unit obtains title to the Unit as a result of foreclosure of a first mortgage or trust deed, such purchaser, and the successors and assigns of purchaser, shall not be liable for any assessments against such Unit which became due prior to the acquisition of title by the purchaser. Such unpaid assessments shall be a common expense of all Unit owners including such purchaser, and the successor or assigns of such purchaser.

6.12 Interest, Late Payment Charge and Collection Costs. If any assessment imposed or levied by the Association pursuant to the provisions of the Declaration, these Bylaws or the Oregon Condominium Act is not paid within thirty (30) days after its due date, such owner shall be obligated to pay:

(a) Interest at the rate of twelve percent (12%) per annum on such assessment from the due date thereof or at such greater rate, not to exceed the maximum lawful rate, if any, as may be established by a resolution of the Board of Directors, from time to time, after a copy of such resolution has been given to owners.

(b) Any other reasonable late charges established by a resolution of the Board of Directors, from time to time, after a copy of such resolution has been distributed to owners.

(c) All expenses incurred by the Association in collecting such unpaid assessments including attorneys' fees (whether or not an action is brought against such owner or whether or not a suit to foreclose the lien upon the Unit granted by the Oregon Condominium Act is instituted, and at trial or any appeal therefrom). All such expenses shall be an additional assessment against such owner's Unit.

6.13 Budget Summary and Statement of Assessments.

(a) Statement of Assessments Payable. The Board of Directors shall advise each owner in writing of the amount of assessments payable by such owner. The Board shall promptly provide any owner who makes a request in writing with a written statement of the owner's unpaid assessments.

(b) Budget Summary. Within thirty (30) days after adopting the annual budget, the Board of Directors shall provide a summary of the budget on which assessments are

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based to all owners. The Board shall promptly provide any owner who makes a request in writing with a copy of the budget and, if requested, to the owner's mortgagee.

(c) Statement of Assessment Account. Subject to Subsection (d) of this Section, within ten (10) business days of receipt of a written request by an owner to provide a statement of assessment account, the Board of Directors shall provide such statement which shall contain the following information:

- (1) The amount of assessment 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 payment charges.
- (2) The percentage rate at which interest accrued on assessments that are not paid when due.
- (3) The percentage rate used to calculate the charges for late payments or the amount of a fixed charge for late payment.
- (d) The Association is not required to comply with Subsection (c) of this Section if the Association has commenced litigation.

ARTICLE VII
MAINTENANCE, REPAIR, ADDITIONS, ALTERATIONS
OR IMPROVEMENTS OF CONDOMINIUM PROPERTY

7.1 Maintenance and Repair. Except as otherwise provided herein for damage or destruction caused by casualty maintenance, repair and replacement to the Units and common elements shall be as provided in this Section.

(a) 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 finished floors, windows, doors and any plumbing, heating, or air conditioning fixtures, telephones, water heaters, fans, lighting fixtures and lamps,

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fireplaces, refrigerators, dishwashers, ranges or other appliances and accessories that may be in or connected with his Unit.

(b) Common Elements. All maintenance, repairs and replacements to the common elements shall be made by the Association and shall be charged to all the Unit owners as a common expense.

(c) Limited Common Element. Each owner of a Unit shall be responsible to maintain, repair and replace the limited common elements appurtenant to the owner's Unit and shall be liable for damage to Units of common elements resulting from a failure to maintain, repair and replace the same.

7.2 Additions, Alterations or Improvements.

(a) A Unit owner may make any improvement or alteration to his Unit that does not impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium.

(b) After acquiring an adjoining Unit, or an adjoining part of an adjoining Unit, a Unit owner may submit a written request to the Board of Directors for permission to remove or alter any intervening partition or to create apertures therein even if the partition, in whole or in part, is a common element. The Board of Directors shall approve the change unless it determines within forty-five (45) days that the proposed change will impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium. The Board of Directors may require the Unit owner, at his own expense, to submit an opinion of a registered architect or registered professional engineer that the proposed change will not impair the structural integrity or mechanical systems of the Condominium or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries. Expenses incurred in amending the Declaration, Plat, and any floor plans in conjunction with an alteration as set forth herein shall be borne by the affected Unit owners.

(c) 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, reduce its value, impair any easement or hereditament, or increase the common expenses of the Association unless the consent of all other Unit owners affected is first obtained.

(d) A Unit owner may not change the appearance of the common elements or the exterior appearance of a Unit without permission of the Board of Directors.

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ARTICLE VIII
RESTRICTIONS AND REQUIREMENTS
RESPECTING USE OF CONDOMINIUM PROPERTY

8.1 **Restrictions and Requirements.** The following restrictions and requirements are in addition to all other restrictions and requirements contained in the Declaration and these Bylaws:

(a) **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.

(b) **Animals.** No animals, reptiles, rodents, livestock, or poultry of any kind may be raised, bred, or kept in any Unit except dogs, cats, or other household pets provided that they are not kept, bred, or maintained for any commercial purpose. Those animals which are permitted shall not cause any noise or disturbance that would be deemed a nuisance to other Unit owners. The owner of any dog or cat must keep said dog or cat on a leash or keep it confined in the Unit or its assigned limited common element and no cat, dog or other permitted household pet shall be allowed to run free.

(c) **Rubbish and Trash.** No part of the properties may be used or maintained as a dumping ground for rubbish, trash, garbage, or any other waste. No garbage, trash, or other waste may be kept or maintained on any part of the property except in a sanitary container as specified by the Association located within the building or within a trash enclosure hidden from public view. All such waste and garbage must be promptly and periodically removed.

(d) **Offensive Activities.** No noxious, offensive, or unsightly conditions are permitted upon any portion of the property, nor may anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

(e) **Unlawful Activities.** No unlawful use shall be made of the Condominiums or any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(f) **Garages and Garage Doors.** The doors of the garage Units shall remain closed except to permit the entrance and exit of vehicles. Garage Units may not be used as living areas.

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(g) Parking. No vehicles of any kind, including, but not limited to automobiles, trucks, vans, motorcycles, boats, trailers, campers or other recreational vehicles, may be parked or stored upon any limited common element (including the limited common elements driveways) or general common element of the properties. Any such property so described will be removed after seventy-two (72) hours at the owner's expense.

(h) Windows, Decks, Patios, Outside Walls, Clotheslines and Clothing and Materials. In order to preserve the attractive appearance of the Condominium, the Board of Directors may, pursuant to rules adopted by resolution, regulate the nature of items which may be placed in or on windows, decks, patios, and the outside walls so as to be visible from other Units, the common elements or outside the Condominium. No clotheslines, clothes racks, or other apparatus on which clothes, rags, or similar items are exposed for the purpose of drying or airing shall be located on the property except within the boundaries of the Units. No garments, rugs, laundry, or other clothing or materials shall be allowed to hang from the windows or from any of the facades of the properties or on the decks.

(i) Signs. Unless written approval is first obtained from the Board of Directors, no sign of any kind may be displayed to the public view on or from any Unit or the common elements except signs used by the Declarant to advertise Units for sale or lease.

(j) Noise Disturbance. Residents shall exercise extreme care about making noises or the use of musical instruments, radios, televisions, or amplifiers that may disturb other residents.

(k) Antennas and Service Facilities. No owner, resident, lessee, or person shall install wiring for electrical or telephone installation, television or radio antenna, machines, or air conditioning Units on the exterior of the properties or that protrude through the walls or the roof of any Unit or building on the properties except as authorized by the Association.

(l) Leasing and Rental of Units. Except with respect to Units owned by the Declarant, the rental or lease of a Unit for occupancy by tenants other than by the Unit owner shall be for a period of not less than thirty (30) consecutive days. Units owned by the Declarant may be rented or leased by the Declarant to third parties on such terms and for such lease periods as Declarant shall elect. Upon the commencement of the lease period, the Unit owner shall provide written notice of such lease and also that the tenant has been provided with copies by the Unit owner of the Declaration, Bylaws, any amendments thereto, and all rules and regulation promulgated by the Board of Directors. All lease agreements shall contain a clause stating that a failure to abide by the Declaration, Bylaws, any amendments thereto, and the rules and the regulations of the Association, shall result in a breach of the lease agreement. If the Unit owner shall fail to provide the tenant with copies of the documents specified herein, the Association shall provide said documents to the tenant and charge the copy expenses to the Unit owner as part of their assessments.

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(m) Increase in 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.

8.2 Association Rules and Regulations.

(a) Adoption. In addition to the restrictions and requirements in Section 8.1 above, 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.

(b) Modification. Such action may be modified by vote of not less than seventy-five percent (75%) of the voting rights 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.

(c) Distribution of Copies. A copy of the rules and regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the secretary promptly to each Unit owner and shall be binding upon all Unit owners and occupants of all Units from the date of delivery.

**ARTICLE IX
COMPLIANCE AND ENFORCEMENT**

9.1 Compliance. Each owner, tenant or occupant of a Unit shall comply with the provisions of the Declaration, these Bylaws and the rules and regulations adopted pursuant thereto and the Oregon Condominium Act. Failure to comply therewith shall be grounds for an action or suit maintainable by the Association or an aggrieved owner.

9.2 Abatement and Enjoining of Violations.

(a) The violation of any rule or regulation adopted pursuant to these Bylaws or the breach of any Bylaw contained herein or of any provision of the Declaration shall give the Board of Directors, subject to Section 9.3 below, acting on behalf of the Association, the right in addition to any other rights set forth in these Bylaws.

(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

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(2) To enjoin, abate or remedy such thing or condition by appropriate legal proceedings; or

(3) To levy reasonable fines after giving notice and an opportunity to be heard if the fine levied is based on a schedule of fines contained in the Declaration, Bylaws, or an amendment thereto, or based on a resolution adopted by the Board of Directors or the Association that is mailed or delivered to each Unit. Such fines shall be treated in the same manner as assessments and collectable as provided in Article VI above.

(b) 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 VI above.

(c) 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.

9.3 Disputes between Association and Owners.

(a) Subject to subsection (f) below, 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 Multnomah County 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.

(b) If the party receiving the offer does not accept the offer within ten 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.

(c) If a qualified dispute resolution program exists within Multnomah County and an offer to use the program is not made as required under Paragraph (1) above, 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 subsection, both parties shall participate in the dispute resolution process.

(d) Unless a stay has been granted under Subsection (c) above, 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.

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

(f) The requirements of this Subsection 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.

9.4 **Costs and Fees.** The offending Unit owner shall be liable to the Association for a reasonable administrative fee as established by the Board of Directors, and all costs and attorneys' fees incurred by the Association, whether or not legal proceedings are instituted and including attorneys' fees at trial, in arbitration or on appeal, or petition for review, together with any expense incurred by the Association in remedying the default, damage incurred by the Association or Unit owners, or fines so levied. Such sums shall be assessed against the offending Unit as an assessment and enforced as provided in Article VI above.

ARTICLE X INSURANCE

10.1 **Types of Insurance.** For the benefit of the Association and Unit owners, the Board of Directors shall obtain and maintain at all times and shall pay for out of common expense funds, the following insurance:

(a) **Property Damage Insurance.** Property insurance covering loss or damage from occurrences including, but not limited to, fire, vandalism, and malicious mischief with extended coverage endorsement; and such other coverage such as flooding and earthquake, which the Association may deem desirable, for not less than the full insurance replacement value of the general common elements. Such policy or policies shall name the Declarant, the Association, and the Unit owners as insured as their interest may appear and shall provide for a separate loss payable endorsement in favor of the mortgagee of each Unit, if any.

(b) **Liability Insurance.**

(1) A policy or policies insuring the Declarant, the Association, the Board of Directors, Unit owners, and managing agent, if any, 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 the board of Directors) for liability arising out of acts or omissions of such Unit owners 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.

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(2) Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) on a combined single limit basis.

(3) Such policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of a named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured.

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

(d) Fidelity Insurance.

(1) The Association shall maintain fidelity insurance for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association. If the Association has retained a management agent, such agent shall maintain fidelity insurance for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association.

(2) The total amount of fidelity insurance coverage required shall be based upon the best business judgment of the Board of Directors. In no event, however, shall the aggregate amount of such insurance be less than the sum equal to three months' aggregate assessments on all Units plus reserve funds.

(3) Such fidelity insurance shall name the Association as obligee and shall contain waivers by the issuers of the insurance of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The insurance shall provide that it may not be cancelled or substantially modified (including cancellation for nonpayment of premium without at least ten (10) days' prior written notice to the Association and each servicer on behalf of the Federal National Mortgage Association ("Fannie Mae").

(e) Directors' and Officers' Liability Insurance. The Association shall maintain a policy of directors' and officers' liability insurance with coverage in the amount of not less than One Million Dollars (\$1,000,000), subject to a reasonable deductible.

10.2 Insurance by Unit Owners. Each Unit owner shall be responsible for obtaining, at his own expense, the insurance specified in Subsection 10.5 below and the following:

(a) Insurance covering his property not insured under Subsection 10.1(a) above and against his or her liability not covered under Subsection 10.1(b) above, unless the Association agrees otherwise.

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(b) Insurance covering personal effects fire and comprehensive personal liability and premises.

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

(a) 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" with a size rating of "AAA" or better by the Best's Insurance Reports, current at the time the insurance is written or prior to the turnover meeting of the Association, one acceptable to the Declarant.

(b) 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.

(c) 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 Ten Thousand Dollars (\$10,000). Nothing in this paragraph shall permit an owner to make improvements without first obtaining the approval of the Board of Directors pursuant to Section 7.2.

(d) All owners shall be required to carry a personal effects fire and comprehensive personal liability and premises medical coverage policy. A copy of each such policy shall be filed with the Association within thirty (30) days after purchase.

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

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

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

(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.

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(d) A provision that any "no other insurance" clause in the master policy exclude individual owners' policies from consideration, and a waiver of the usual proration clause with respect to such policies.

(e) 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 furnishes written notice and a grace period to the mortgagee, insured under the loss payable clause thereof, the mortgagee's coverage is neither jeopardized by the conduct of the Unit mortgagor-owner, the Association, or other Unit owners, nor canceled for nonpayment of premiums.

(f) 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 not 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 insured as their interest may appear.

(g) 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 determine cash adjustment clause or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild.

10.5 Deductible/Owner and Tenant Insurance.

(a) 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 X. 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.

(b) The Association shall have no responsibility to procure or assist in procuring property loss insurance for any owner or tenant for:

(1) 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

(2) For any damage or loss to the owner's or tenant's personal property.

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(c) Owners are required to purchase insurance policies insuring their Units and appurtenant limited common elements for the deductible amount under the Association's policies and for insuring their own personal property for any loss or damage, or in the alternative, any owner may notify the Board of Directors of his election to self-insure. Tenants are required to insure their own personal property for any loss or damage.

(d) 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.

(e) Owners and tenants of all Units shall procure and maintain comprehensive liability policies having combined limits of not less than \$50,000 for each occurrence. Such insurance shall provide coverage for, but not limited to, 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 limited common elements and other Units and the personal property of others located therein. Owners shall be responsible for notifying their tenants of the insurance requirements of this Section.

ARTICLE XI **DAMAGE AND DESTRUCTION**

11.1 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. Reconstruction of the damaged or destroyed buildings, as used in this paragraph, means restoring the buildings to substantially the same condition in which they existed prior to the fire, casualty, or disaster with each Unit; and the common element having the same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished under the direction of the manager or the Board of Directors.

11.2 Insurance Proceeds Insufficient to Cover Loss.

(a) Subject to Subsection (b) below, if the insurance proceeds are insufficient to reconstruct the damaged or destroyed buildings, the damage to or destruction of such buildings shall be promptly repaired and restored by the manager or the Board of Directors using the proceeds of insurance, if any, on such buildings for that purpose; and all the Unit owners shall be liable for assessment for any deficiency for such reconstruction, such deficiency to take into consideration as the owner's contribution any individual policy insurance proceeds provided by such owner.

(b) If three-fourths (3/4) or more in value of all the buildings are destroyed or substantially damaged and if the owners of at least three-fourths (3/4) of the Units do not, voluntarily within sixty (60) days after such destruction or damage, make provision for

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reconstruction, the manager or the Board of Directors shall record with the County Recorder an amendment to the Declaration which shall cause removal of the Condominium from the provisions of ORS 100.005 *et seq.* The amendment shall be executed and acknowledged and contain the information required by ORS 100.600. Upon the recording of the amendment, the Condominium property and the interest of each Unit owner shall be treated in the following manner:

- (1) The Condominium property shall be deemed to be owned in common by the owners.
- (2) The respective interest of each Unit owner in the property shall be determined by the provisions of ORS 100.610, which are in effect on the date the Condominium Declaration is recorded.
- (3) Any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the undivided interests of the owners in the project.
- (4) The Condominium shall be subject to an action for partition at the suit of any owner. If a decree of partition orders the sale of the Condominium property, the net proceeds of sale, together with the net proceeds of the policies of insurance on the Condominium, if any, shall be considered as one fund and shall be divided among all of the owners in proportion to their respective undivided interest after first paying, out of the respective shares of the owners to the extent such share is sufficient for the purpose, all liens on the undivided interest in the project owned by each owner.

11.3 Damage Due to Unit Owner. If, due to the act or neglect of a Unit owner, or member of such owner's family or 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, such owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Association, to the extent not fully covered by the Association's insurance.

ARTICLE XII CONDEMNATION

The Board of Directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain; and to sue or defend in any litigation, involving such bodies or persons with respect to the common elements of the Condominium, and shall assist any Unit owner whose Unit or a part thereof is the subject of any condemnation or eminent domain proceeding; provided, however, nothing in this or any document or agreement relating to the Condominium shall be construed to give a Unit owner or

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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.

ARTICLE XIII
AMENDMENTS

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

13.2 Adoption. Amendments may be approved by the Association at a duly constituted meeting or written ballot in lieu of a meeting in accordance with Section 3.9 above conducted for such purpose or by action without a meeting under Section 3.10 above. A vote of a majority of the Unit owners is required for approval of any amendment except:

(a) In accordance with ORS 100.415(20), in the case of any provision required to be in the Declaration under ORS 100.105 that is included in these Bylaws, the voting requirements for amending the Declaration shall also govern the amendment of the provision in these Bylaws.

(b) Any amendments relating to age restrictions, pet restrictions, limitations on the number of persons who may occupy Units and limitations on the rental or leasing of Units shall require the approval of all Unit owners. Any such amendment must be reasonable in light of all of the facts and circumstances that affect the Condominium at the time the amendment is made.

(c) Any amendment must be approved by the Declarant, in writing, as long as Declarant owns at least one living or garage Unit in the Condominium.

13.3 Execution and Recording. An amendment shall not be effective until certified by the chairperson and secretary of the Association as being adopted in accordance with these Bylaws and ORS 100.410 and recorded as required by law. Any amendment adopted within five (5) years after the recording of these Bylaws shall be approved by the Real Estate Commissioner, to the extent required by the Oregon Condominium Act.

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ARTICLE XIV
RECORDS AND AUDITS

14.1 General Records.

(a) The Board of Directors and managing agent or manager, if any, shall keep detailed records of the actions of the Board of Directors and managing agent or manager; minutes of the meetings of the Board of Directors; and minutes of the meeting of the Association.

(b) The Board of Directors shall maintain a Book of Resolutions containing the rules, regulations, and policies adopted by the Association, Board of Directors, and the manager.

(c) 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.

14.2 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 Condominium; 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.

14.3 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 Unit number, 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.

14.4 Payment of Vouchers. The treasurer shall pay all vouchers up to One Thousand Dollars (\$1,000) signed by the chairperson, managing agent, manager, or other person authorized by the Board of Directors. Any voucher in excess of \$1,000 shall require the signature of the chairperson.

14.5 Financial Reports and Audits.

(a) An annual report of the receipts and expenditures of the Association and a balance sheet showing assets and liabilities shall be rendered by the Board of Directors to all Unit owners and to all mortgagees of Units within ninety (90) days after the end of each fiscal year.

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(b) From time to time the Board of Directors, at the expense of the Association, may obtain an audit of the books and records pertaining to the Association and furnish copies thereof to the owners and such mortgagees. 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.

14.6 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 vendor, mortgagee, lessee, or tenant.

14.7 Inspection of Records by Unit Owners.

(a) In accordance with ORS 100.480, all documents delivered to the Association by the Declarant pursuant to Section 3.3 above and all other records of the Association shall be reasonably available for examination by an owner and any mortgagee of a Unit pursuant to rules adopted by resolution of the Board of Directors.

(b) The Board of Directors shall maintain a copy, suitable for the purposes of duplication, of the following:

(1) The Declaration, Bylaws and any amendments or supplements thereto, and rules and regulations of the Association;

(2) The most recent financial statement prepared pursuant to ORS 100.480(3); and

(3) The current operating budget of the Association.

(c) Upon the written request of a prospective purchaser, pursuant to rules adopted by resolution of the Board of Directors, the Board shall make records of the Association available for examination and duplication during reasonable business hours.

(d) The Association may charge a reasonable fee for furnishing copies of any documents, information, or records described in this Section. The fee may include reasonable personnel costs for furnishing the documents, information and records.

ARTICLE XV
MISCELLANEOUS

15.1 Notices.

(a) Association. All notices to the Association or 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

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Association or to such other address as the Board of Directors may hereafter designate from time to time.

(b) Owners. 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. If a lot is jointly owned or the lot has been sold under a land sale contract of sale, notice shall be sent to a single address, of which the secretary has been notified in writing by such parties. If no address has been given to the secretary in writing, then mailing to the lot shall be sufficient.

15.2 Waiver, Precedent and Estoppel. No restriction, condition, obligation, or provision contained in these Bylaws or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by the Association or an owner by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur and any failure to enforce the same shall not be deemed to constitute precedent or estoppel impairing the right of the Association as to any similar matter.

15.3 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.

15.4 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.

THEREFORE, Bill R Lenz hereby adopts these Bylaws on behalf of the Association of Unit Owners of the Ivy Street Condominiums and certifies that they will be recorded simultaneously with the Declaration and Plat for said Condominium in the Deed Records of Multnomah County.

DATED this 26 day of February, 2003

DECLARANT:


Bill R Lenz
Title member

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STATE OF OREGON)
County of MULTNOMAH) ss.

Personally appeared the above-named BILL LENZ, as
MEMBER of LAR TWO PROPERTIES, having been duly sworn
stated that these Bylaws are voluntarily signed on behalf of the Association of Unit Owners of
the Ivy Street Condominiums. Before me.




NOTARY PUBLIC FOR OREGON
My Commission Expires: FEB. 13, 2005

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