DECLARATION SUBMITTING THE BAKER STREET
MEDICAL CONDOMINIUM TO CONDOMINIUM OWNERSHIP

SECTION 1. SUBMISSION OF PROPERTY

The Baker Street Venture, a joint venture organized under
the laws of the State of Oregon, hereby submits the following
land, more specifically described in Exhibit "A" attached hereto
and incorporated by reference herein, together with the building
and improvements to be erected thereon to the provisions of the
Oregon Condominium Act (hereinafter called the "Act"), ORS 94.004
et seq. Baker Street Venture (hereinafter called "Declarant")
possesses rights in said land in fee simple, subject to encumbrances.

SECTION 2. NAME

The condominium shall be known as "Baker Street Medical Con-
dominium".

SECTION 3. BUILDING

The building constructed on the property, hereinafter called
the "building", was substantially completed on or about August 1,
1983. It is a one story structure and contains three units consist-
ing of approximately 4,869 square feet of gross floor area. The
Building Does not contain any basements. The parking area consists
of approximately 9,300 square feet.

The approximate square footage of each unit is as follows:

- Unit I - 1394.0 square feet
- Unit II - 1924.0 square feet
- Unit III - 1394.0 square feet
- Common Elements - 157.5 square feet

(non parking)

The Building is a Type V1 with wood frames and plaster interior
walls. The floors are post and beam wood construction with a concrete
tile roof and a light brick veneer finish on the exterior walls. The
ceilings are of plaster.

SECTION 4. UNITS

Intended to be filed simultaneously with the recording of this
Declaration are the plat and floor plans of the building, certified
by Matt Dunckel, surveyor, showing the location, approximate areas,
and designation of all units and the common elements to which each

Page 1 - DECLARATION
has immediate access. The percentage of interest of each unit in the common elements is allocated as follows:

Unit I - 30%
Unit II - 40%
Unit III - 30%
Total - 100%

The percentage of interest of each unit in the common elements has been determined on the basis of the proportion which the value of each unit bears to the total value of all units. The legal boundaries of each unit shall be the unfinished surface of the walls, ceiling, and floor. Plasterboard, paneling, tiles, wallpaper, finished flooring and any other material constituting any part of the finished surfaces of the walls, ceiling, and floors shall, in accordance with ORS 94.237, be a part of the unit. All other portions of the walls, floors and ceiling shall be a part of the common elements.

SECTION 5. COMMON ELEMENTS

The common elements consist of everything not a part of a unit, including, but not limited to:

(a) The interest in the land subject to any encumbrances.

(b) The foundations, walls, ceilings, columns, and floors (excepting finished surfaces and materials thereto), roofs, halls, lobbies, stairways, entrance, exits and communication ways which are part of the improvements, the yard, exterior driveways, walkways and parking areas.

(c) The rooms and facilities, if any, used by janitors or other persons in charge of maintenance, cleaning and repair of the condominium project.

(d) The compartments for installation of central services such as electricity, gas, hot and cold water, refrigeration, central heating and air-conditioning, water tanks and pumps, conduits for telephone lines, plumbing and similar installations installed for the common use of the Owners.

(e) All other devices or installations existing for the common use of the Owners and all other elements of the improvements desirable or rationally of common use or necessary to the existence, upkeep and safety of the condominium project.

SECTION 6. COVENANTS OF OWNERS

Each Owner, by accepting ownership of a unit, agrees on behalf of himself, his successors, heirs, personal representatives and assigns to the following:

Page 7 - DECLARATION
(a) There shall be such permanent assessments through and over each of the units as may be reasonably necessary for the installation, maintenance, replacement and repair of the common elements and the other units. The condominium association shall have authority to grant easements, rights of way, licenses and other similar interests affecting the general common elements of the condominium upon approval by at least 75% of the unit Owners pursuant to ORS 94.146(5).

(b) A unit shall be used solely as professional office space for medical doctors licensed to practice in the state of Oregon. If written approval is secured from all unit Owners, however, a unit may be used as office space for any person engaged in health services or a related profession.

(c) The administration of the condominium project shall be in accordance with the provisions of the Declaration and the Condominium Bylaws. Each Owner, tenant and occupant of a unit shall comply with such Declaration and Condominium Bylaws as amended from time to time.

(d) Upon the sale or conveyance of a unit, all unpaid assessments levied by the association in accordance with the Condominium Bylaws, whether reduced to judgment or not, and if reduced to judgment the amount of such judgment including attorneys fees, interest and costs as provided therein, shall be first paid out of the sales price by the Purchaser in preference over any other assessments or charges of whatever nature except the following:

(i) Assessments, liens and charges in favor of the State of Oregon for any political subdivision thereof for taxes past due and unpaid; and

(ii) Amounts due under a first mortgage or trust deed of record covering a unit.

SECTION 7. RIGHT OF FIRST REFUSAL

(a) In addition, each Owner, by accepting ownership of a unit, agrees on behalf of himself, his successors, heirs, personal representatives and assigns, to the following: No Owner shall sell or transfer the Owner's undivided interest in a unit, nor grant a long-term lease of a unit without first giving written notice to the other Owners, provided, however, that the following shall not be subject to the notice requirements or right of first refusal: (i) conveyances by devise or inheritance; (ii) a transfer by one joint owner of a unit to one or more other joint Owners of the same unit; (iii) upon the dissolution of a professional corporation which is an Owner, the conveyance of a unit to the
shareholders as joint owners; (iv) upon the formation of a professional corporation by an Owner or joint Owners of such professional corporation; or (v) upon the admission of a new partner to a medical partnership which is an Owner or a medical partnership formed by an Owner, the conveyance of an individual interest in the unit to such new partner for the conveyance of such unit to such medical partnership. The notice shall set forth the purchase price, the terms of payment and the other terms of the sale and the identity of the proposed purchaser (the Third Party). In no event shall the “selling” Owner offer to sell less than all of the undivided interest. The other Owners shall have a period of sixty (60) days after mailing of the notice to elect to acquire such interest at the price and upon the same terms designated in the notice. If the other Owners elect to purchase the interest, they must purchase all and not part of the interest. Each Owner (other than the “selling” Owner) shall have the right to purchase that portion of the offered interest which the non-selling Owner’s interest bears to all interests excluding the offered interest. If any Owner or Owners do not elect to purchase a full proportionate share of the interest, the other Owners desiring to purchase may purchase the share proportionate to their respective interests. The non-selling Owners shall have sole responsibility to determine who shall acquire the offered interest and in what proportions that interest shall be acquired. The purchasing Owners shall have ninety (90) days from the expiration of the sixty day election period to purchase the interest from the selling Owner and close the sale.

(b) In the event the Owners do not elect to purchase the offered interest, the Owner giving the notice to sell shall have the right to sell the interest to the Third Party on the same terms as set forth in the notice for a period of 90 days following the expiration of the 60 day period. After the expiration of this 150-day period to complete the sale to the Third Party, the Owner giving the notice shall not sell or transfer the interest without again complying with the terms of this Section 7. Any sale to the Third Party designated in the notice shall be subject to all of the terms in this Declaration. In addition, for the sale to be effective, the Third Party purchaser must be a medical doctor licensed to practice medicine in the State of Oregon.

SECTION 8. PERSON TO RECEIVE SERVICE

Klaus Martin M.D., of 1300 North Adams Street, McMinnville, Oregon 97128 is hereby designated to receive notice of process of any action relating to the common elements or to more than one unit.

SECTION 9. ALLOCATION OF COMMON PROFITS AND EXPENSES

The common profits of the property shall be distributed among, and the common expenses shall be charged to, the unit
owners according to the allocation of undivided interest of each
unit in the common elements.

No unit owner by the owner's own action may claim exemption
from liability for contribution towards the common expenses by
waiver by the owner of the use or enjoyment of any of the common
elements or by abandonment by the owner of the owner's unit.

SECTION 10. VOTING

Each unit shall be entitled to one vote. In the event that
a unit is owned by two or more individuals as joint tenants or
tenants in common, such unit will be entitled nonetheless to
only one vote.

SECTION 11. INVALIDITY

The invalidity of any provision of this declaration shall
not affect in any manner the validity or enforceability of the
remainder of this declaration, and the other provisions of this
declaration shall continue in effect as if such invalid provision
had never been included herein.

SECTION 12. WAIVER

No provision contained in this declaration shall be deemed
to have been waived by reason of any failure to enforce it, ir-
respective of the number of violations which may occur.

SECTION 13. AMENDMENT

This Declaration can be amended at a meeting of the unit
Owners called by any Owner for that purpose. The moving party
must send written notice to the other unit Owners stating the
time, place and purpose of the meeting. To be effective, said
amendment must receive an affirmative vote from 75% or more of
the unit Owners, be approved by the Real Estate Commissioner,
and be recorded.

Executed this 10th day of August, 1983.

Baker Street Venture, Declarant

By: 

Klaus Martin M.D. 
George T. Barker M.D.
L. Lawrence Warner M.D. 
Harry McCullough M.D.
STATE OF OREGON
County of Yamhill

On this 12th day of January, 1983, personally appeared before me the above named KLAUS MARTIN M.D. and acknowledged the foregoing instrument to be his voluntary act and deed.

Notary Public for Oregon
My Commission Expires: 1.31.85

STATE OF OREGON
County of Yamhill

On this 1st day of August, 1983, personally appeared before me the above named W. LAWRENCE WARNER M.D. and acknowledged the foregoing instrument to be his voluntary act and deed.

[Signature]
Notary Public for Oregon
My Commission Expires: 8.22.86

STATE OF OREGON
County of Yamhill

On this 25th day of August, 1983, personally appeared before me the above named GEORGE T. BARKER M.D. and acknowledged the foregoing instrument to be his voluntary act and deed.

[Signature]
Notary Public for Oregon
My Commission Expires: 9.22.86

STATE OF OREGON
County of Yamhill

On this 20th day of August, 1983, personally appeared before me the above named HARRY C. McCULLEY M.D. and acknowledged the foregoing instrument to be his voluntary act and deed.

[Signature]
Notary Public for Oregon
My Commission Expires: 11.22.86

The foregoing Declaration is approved pursuant to ORS 94.036 this 23rd day of August, 1983.

William F. Quinn
Real Estate Commissioner

By: [Signature]

Page 5 - DECLARATION
EXHIBIT A

Being a part of Lots 36 and 37, McMinnville College Addition; and a part of the William T. Newby Donation Land Claim #53 and the Samuel Cozine Donation Land Claim #56 in Township 4 South, Range 4 West of the Willamette Meridian, Yamhill County, Oregon, more particularly described as follows:

Beginning at the Northwest corner of Lot 37, McMinnville College Addition to the City of McMinnville, Yamhill County, Oregon; thence South 99.87 feet to the Southwest corner of said Lot 37; thence South 100.00 feet along the East side of Baker Street; thence East 100.00 feet; thence North 99.85 feet to the South line of Lot 36 of McMinnville College Addition; thence N 89° 55' W 7.54 feet to Southeast corner of the West half of said Lot 36; thence W 00° 20' 40" E 100.01 feet to the Northeast corner of the West half of said Lot 36; thence S 89° 59' 40" W 93.03 feet to the point of beginning.
# Condominium Bylaws of Baker Street Medical Condominium

## Table of Contents

<table>
<thead>
<tr>
<th>Article</th>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 1</td>
<td>Definitions</td>
<td>1</td>
</tr>
<tr>
<td>Article 2</td>
<td>Association</td>
<td>1</td>
</tr>
<tr>
<td>2.01</td>
<td>Administration</td>
<td>1</td>
</tr>
<tr>
<td>2.02</td>
<td>Employment of Personnel</td>
<td>1</td>
</tr>
<tr>
<td>2.03</td>
<td>Membership; Voting</td>
<td>1</td>
</tr>
<tr>
<td>2.04</td>
<td>Books of Account</td>
<td>3</td>
</tr>
<tr>
<td>2.05</td>
<td>Common Expenses and Receipts</td>
<td>3</td>
</tr>
<tr>
<td>2.06.1</td>
<td>Board of Directors</td>
<td>3</td>
</tr>
<tr>
<td>2.06.2</td>
<td>Election of Directors</td>
<td>3</td>
</tr>
<tr>
<td>2.06.3</td>
<td>Removal of Directors</td>
<td>3</td>
</tr>
<tr>
<td>2.06.4</td>
<td>Term</td>
<td>4</td>
</tr>
<tr>
<td>2.06.5</td>
<td>Directors Meetings</td>
<td>5</td>
</tr>
<tr>
<td>2.06.6</td>
<td>Officers</td>
<td>5</td>
</tr>
<tr>
<td>2.06.7</td>
<td>Payment Vouchers</td>
<td>5</td>
</tr>
<tr>
<td>2.07</td>
<td>First Meeting of Members</td>
<td>5</td>
</tr>
<tr>
<td>Article 3</td>
<td>Assessments</td>
<td>5</td>
</tr>
<tr>
<td>3.01</td>
<td>Association Assessments</td>
<td>5</td>
</tr>
<tr>
<td>3.02</td>
<td>Annual and Special Assessments</td>
<td>6</td>
</tr>
<tr>
<td>3.03</td>
<td>Allocation of Assessments</td>
<td>6</td>
</tr>
<tr>
<td>3.04</td>
<td>Taxes And Insurance Premiums</td>
<td>7</td>
</tr>
<tr>
<td>3.05</td>
<td>Collection of Assessments</td>
<td>7</td>
</tr>
<tr>
<td>3.06</td>
<td>No Exemptions</td>
<td>7</td>
</tr>
<tr>
<td>Article 4</td>
<td>Owner Action</td>
<td>7</td>
</tr>
<tr>
<td>Article 5</td>
<td>Insurance</td>
<td>7</td>
</tr>
<tr>
<td>Article 6</td>
<td>Reconstruction or Repair</td>
<td>9</td>
</tr>
<tr>
<td>6.01</td>
<td>Vote of Members</td>
<td>9</td>
</tr>
<tr>
<td>6.02</td>
<td>Plan for Reconstruction</td>
<td>9</td>
</tr>
<tr>
<td>6.03</td>
<td>Repair of Units</td>
<td>9</td>
</tr>
<tr>
<td>6.04</td>
<td>Costs of Repair</td>
<td>10</td>
</tr>
<tr>
<td>6.05</td>
<td>Eminent Domain</td>
<td>10</td>
</tr>
<tr>
<td>Article 7</td>
<td>Restrictions</td>
<td>10</td>
</tr>
<tr>
<td>7.01</td>
<td>Modifications</td>
<td>10</td>
</tr>
<tr>
<td>7.02</td>
<td>Use of Units</td>
<td>11</td>
</tr>
<tr>
<td>Article</td>
<td>Section</td>
<td>Description</td>
</tr>
<tr>
<td>----------</td>
<td>---------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td>7.03</td>
<td>Improper Activities</td>
<td>11</td>
</tr>
<tr>
<td>7.04</td>
<td>Signs</td>
<td>11</td>
</tr>
<tr>
<td>7.05</td>
<td>Use of Common Elements</td>
<td>11</td>
</tr>
<tr>
<td>7.06</td>
<td>Maintenance of Unit</td>
<td>11</td>
</tr>
<tr>
<td>7.07</td>
<td>Rules and Regulations</td>
<td>12</td>
</tr>
<tr>
<td>7.08</td>
<td>Access of Agents</td>
<td>12</td>
</tr>
<tr>
<td>7.09</td>
<td>Sale or Lease</td>
<td>12</td>
</tr>
<tr>
<td>Article 8</td>
<td>Mortgages</td>
<td>12</td>
</tr>
<tr>
<td>8.01</td>
<td>Notification of Association</td>
<td>12</td>
</tr>
<tr>
<td>8.02</td>
<td>Notification of Mortgagees</td>
<td>12</td>
</tr>
<tr>
<td>Article 9</td>
<td>Compliance</td>
<td>12</td>
</tr>
<tr>
<td>9.01</td>
<td>Acceptance of Governing Rules</td>
<td>12</td>
</tr>
<tr>
<td>9.02</td>
<td>Amendment of Condominium Bylaws</td>
<td>13</td>
</tr>
<tr>
<td>Article 10</td>
<td>Additions and Alternations by the</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Association</td>
<td></td>
</tr>
<tr>
<td>Article 11</td>
<td>Default</td>
<td>13</td>
</tr>
<tr>
<td>11.01</td>
<td>Definition</td>
<td>13</td>
</tr>
<tr>
<td>11.02</td>
<td>Costs</td>
<td>13</td>
</tr>
<tr>
<td>11.03</td>
<td>No Waiver</td>
<td>14</td>
</tr>
<tr>
<td>11.04</td>
<td>Rights Cumulative</td>
<td>14</td>
</tr>
<tr>
<td>Article 12</td>
<td>Severability</td>
<td>14</td>
</tr>
<tr>
<td>Article 13</td>
<td>Action Without A Meeting</td>
<td>14</td>
</tr>
<tr>
<td>Article 14</td>
<td>Table of Contents; Headings</td>
<td>14</td>
</tr>
</tbody>
</table>
CONDOMINIUM BYLAWS
OF
BAKER STREET MEDICAL CONDOMINIUM

ARTICLE 1. DEFINITIONS

The words defined in the Condominium Act, Oregon Revised Statutes 94.004 et seq. shall have the same meaning in these Condominium Bylaws.

ARTICLE 2. ASSOCIATION

2.01 ADMINISTRATION. The Baker Street Medical Condominium located in Yamhill County, Oregon, shall be administered by an Oregon Non-Profit corporation organized under the name of "Baker Street Medical Condominium Association," (hereinafter called the "Association"). The Association shall be responsible for the management, maintenance, operation and administration of the condominium project and the common elements in accordance with the Act, the Declaration, these Condominium Bylaws, and duly adopted rules and regulations of the Association. Owners and all persons using, entering upon or acquiring any interest in any unit or the common elements shall be subject to the provisions of such documents.

2.02 EMPLOYMENT OF PERSONNEL. The Association may provide for the employment of personnel necessary for the maintenance, upkeep and repair of the common elements.

2.03 MEMBERSHIP; VOTING. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

(a) Each Owner shall be a member of the Association, and no other person or entity shall be entitled to membership. No Owner shall be required to pay any consideration whatsoever solely for his membership in the Association.

(b) The share of an Owner in the assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his unit.

(c) Each unit shall be entitled to one vote.

(d) No Owner, other than the Declarant, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a unit in the condominium project to the Association. The vote of each Owner may only be cast by such Owner or by a written proxy given by such Owner to
his duly authorized representative. In matters involving votes by "unit Owners", if title to a unit should be in the name of two or more persons as Owners (hereinafter called "Joint Owners"), any one of such Joint Owners may vote as the Owner of the unit at any meeting of the Association, and such vote shall be binding on such other Joint Owner(s) who are not present at such meeting until written notice to the contrary has been received by the Association, in which case the unanimous action of all such Joint Owners (in person or by proxy) shall be required to cast their vote as a unit Owner. If two or more of such Joint Owners are present at any meeting of the Association then unanimous action shall also be required to cast their vote as a unit Owner.

(e) There shall be an annual meeting of the members of the Association, and other meetings may be provided for if necessary. The date of the annual meeting shall be determined by majority vote of the Board. Notice of the time, place and subject matter of all meetings, shall be given to each Owner at least three (3) days in advance by mailing the same to such Owner or to the individual representative designated by such Owner at the address given by such Owner to the Association. If any Owner shall fail to give an address to the Association for the mailing of notices, all notices shall be sent to the unit of such Owner, and such Owners shall be deemed to have been given notice of any such meeting irrespective of actual receipt thereof. Any unit Owner, including Joint Owners, may call a meeting of the Association for any reason.

(f) Except as otherwise provided by statute or these Condominium Bylaws, the presence in person or by proxy of at least two (2) of the unit Owners qualified to vote shall constitute a quorum for holding any meeting of the members of the Association. If, however, such quorum shall not be present or represented at any meeting of the Owners, the Owners present, in person or by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted at the meeting as originally notified.

(g) When a quorum is present at any meeting of the Association, the vote of more than 50% of the unit Owners present and qualified to vote, in person or by proxy, at such meeting shall decide any question brought before such meeting, unless the question is one upon which a different vote is required by express provision of the statutes or these Condominium Bylaws, in which case such express provision shall govern. The Owners present in person or by proxy at a duly organized meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough Owners to leave less than a quorum.
2.04 BOOKS OF ACCOUNT. The Association shall keep detailed books of account showing all expenditures and receipts of the condominium project which shall specify the expenses of maintenance and repair of the common elements and any other expenses incurred by or on behalf of the Association and the Owners. Such books shall be open for inspection by the Owners or their attorneys or representatives during reasonable working hours on weekdays and shall be audited annually by qualified auditors. The cost of such audit shall be an expense of administration of the condominium project. Within 90 days after the end of the fiscal year, the Board of Directors shall distribute to each unit owner a copy of the annual financial statement consisting of a balance sheet and income and expense statement of the preceding year.

2.05 COMMON EXPENSES AND RECEIPTS. All expenses paid and incurred by the Association and all money and other property received by the Association on behalf of the Owners, and are herein called "common expenses" and "common receipts". Common expenses shall include but not be limited to the costs incurred in the satisfaction of any liability arising in connection with the maintenance, repair or use of the common elements of the condominium project.

2.06 BOARD OF DIRECTORS. The affairs of the Association shall be managed by a Board of three (3) directors. Each director of the Association must be a member of the Association.

2.06.1 ELECTION OF DIRECTORS. Election of directors shall be conducted at the annual members meeting. The election shall be by ballot (unless dispensed with by unanimous consent) and by plurality of the votes cast, each unit owner being entitled to cast one vote for one nominee of each vacancy to be filled. There shall be no cumulative voting.

2.06.2 REMOVAL OF DIRECTORS. Any director may be removed by concurrence of two-thirds (2/3) of the votes of the entire membership at a special meeting called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.

2.06.3 TERM. The term of each director’s service shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner provided above.

2.06.4 DIRECTORS MEETINGS. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of its election at such place and time as shall be fixed by further notice of the organization meeting shall be necessary providing a quorum shall be present.
b. Regular meetings of the Board of Directors may be
held at such time and place as shall be determined, from time to
time, by a majority of the directors. Notice of regular meetings
shall be given to each director, personally or by mail or telephone
at least three (3) days prior to the day named for such meeting.

c. Special meetings of the directors may be called
by any director upon written notice. Notice of the meeting
shall be given at least three (3) days prior to the day named
for such meeting, which notice shall state the time, place, and
purpose of the meeting.

d. Any director may waive notice of a meeting in
writing before or after the meeting and such waiver shall be
deemed equivalent to the giving of notice. Further, attendance by a director at a meeting shall be deemed equivalent to
a waiver of notice.

e. A quorum of the directors meetings shall consist
of a majority of the entire Board of Directors.

f. The presiding officer of directors meetings shall
be the chairman of the board. In the absence of the presiding
officer, the directors present shall designate one of their
number to preside.

g. The order of business at directors meetings shall
be:

1. Calling of roll.
2. Proof of due notice of meeting.
3. Reading and disposal of unapproved minutes.
4. Reports of officers and committees.
5. Election of officers.
6. Unfinished business.
8. Adjournment.

h. All meetings of the Board of Directors of the
Association of unit Owners shall be open to unit Owners.

i. No member of the Board of Directors shall receive
any compensation from the condominium for acting as such.

2.06.5 POWERS AND DUTIES. All of the powers and duties
of the Association existing under the Act, the Declaration, the
Articles of Incorporation and these Bylaws shall be exercised
exclusively by the Board of Directors, its agents, contractors,
or employees, subject only to approval by unit Owners when such
is specifically required.
2.06.6 OFFICERS. At least once a year, the directors shall elect from among themselves a Chairman, Secretary and Treasurer. The election, removal and term of office shall be in accordance with the provisions of Articles 2.06.1, 2.06.2, and 2.06.3, pertaining to directors. The chairman of the board of directors shall be the chief executive officer. He shall have all the powers and duties which are usually vested in the office of president of an association.

b. The secretary shall keep the minutes of all proceedings of the directors and members. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall keep the records of the Association, except those of the treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the chairman.

c. The treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and shall perform all other duties incident to the office of treasurer.

d. Until the first annual meeting of the unit Owners Association, the following Declarants shall serve as the interim Board of Directors and officers:

Chairman - Klaus Martin M.D.
Secretary - Harry G. McCutley M.D.
Treasurer - W. Lawrence Warner M.D.

2.06.7 PAYMENT VOUCHERS. All vouchers and bills shall first be approved by the chairman, if valid, and once approved, paid by the treasurer from the Association account.

2.07 FIRST MEETING OF MEMBERS. The first meeting of the members of the Association shall be held within ninety (90) days after recordation of the condominium documents required by ORS 94.004 et seq. Declarant will send written notice to each unit Owner of the first meeting of the Association.

ARTICLE 3. ASSESSMENTS

3.01 ASSOCIATION ASSESSMENTS. The Association shall be assessed as a person or entity in possession of any tangible personal property of the condominium project owned or possessed in common by the Owners, and personal property taxes based thereon shall be treated as Association expenses.

3.02 ANNUAL AND SPECIAL ASSESSMENTS.

(a) The directors shall establish an annual budget
in advance for each fiscal year of the Association of all Association expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the condominium project, including a reasonable allowance for contingencies and reserves. The assessment of each Owner for his pro rata share of the Association expenses for each year shall be established by adoption of such annual budget by the directors. Written copies of the assessment and the budget shall be delivered to each Owner although the delivery of a copy of the budget to each Owner shall not affect the liability of any Owner for any existing or future assessments. Should the directors at any time determine, in their sole discretion, that the assessments levied are insufficient to pay such expenses in any fiscal year, the directors may at any time and from time to time levy such additional assessments as they shall deem necessary for such purpose.

(b) Special assessments, other than those described in (a) above, may be made by the directors at any time and from time to time to meet other requirements of the Association and the condominium project, including, but not limited to, capital improvements and the purchase or lease of a unit pursuant to paragraph 7.9 hereof; provided, however, that any such special assessments shall not be levied without the prior approval of at least seventy-five percent (75%) of the unit owners.

1.01 ALLOCATION OF ASSESSMENTS. All assessments levied against the Owners to cover Association expenses shall be apportioned among and paid by the Owners in accordance with percentage of ownership allocated to each unit in the Declaration. Assessments shall be due and payable monthly on such day of the month as the Board of Directors shall determine commencing with the conveyance of a unit. Payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment, and shall bear interest at the rate of sixteen percent (16%) per annum commencing ten (10) days after the due date thereof until paid in full. Each Owner (whether one or more persons, including all of the shareholders of any professional corporation) shall be and remain personally liable for the payment of all assessments which may be levied against such Owner by the Association in accordance with these Condominium Bylaws, and any unpaid assessments with accrued interest thereon owed with respect to a unit shall be collected out of the sales proceeds of such unit.

3.04 TAXES AND INSURANCE PREMIUMS. Each Owner shall pay to the Association, together with and as a part of his assessment, such Owner's portion of ad valorem taxes on the condominium project, if any, and premiums on all insurance policies carried by the Association for repayment to the persons entitled thereto.

3.05 COLLECTION OF ASSESSMENTS. The Association may, in addition to its rights under the Act, enforce collection of delinquent assessments by suit at law for a money judgment, and the
expenses incurred in collecting unpaid assessments including interest, costs and attorneys fees, shall be chargeable to the Owner in default. Assessments in default shall constitute a lien upon the unit of the Owner in default and such lien may be enforced by judicial foreclosure. The Association may also discontinue the furnishing of any utilities or other services to an Owner in default of his obligations to the Association or other Owners as set forth herein upon thirty (30) days written notice to such Owner and to any mortgagee of such Owner’s unit of its intent to do so. Upon seven (7) days written notice of default, an Owner in default of his obligations to the Association or other Owners as set forth herein shall not be entitled to vote at any meeting of the Association or Board so long as such default is in existence.

3.06 NO EXEMPTIONS. No Owner may exempt himself from liability for his contribution toward the expenses of the Association and the condominium project by waiver of the use or enjoyment of any of the common elements or by abandonment or sale of his unit.

ARTICLE 4. OWNER ACTION

Without limiting the other legal rights of any Owner or the Association, legal action may be brought by the Association in its sole discretion on behalf of two (2) or more Owners as their respective interest may appear with respect to any cause of action relating to the common elements or more than one (1) unit.

ARTICLE 5. INSURANCE

The Association shall carry a master policy of fire and extended coverage, vandalism and malicious mischief and liability insurance meeting the requirements of O.R.S 94.177(1) and covering the unit Owners individually, the Association, and the manager, including but not limited to, the Board members and officers, and such other insurance as the directors may determine (hereinafter called the "master policy"), pertaining to the common elements and to any unit, with respect to the ownership, control, supervision or use of the property in accordance with the following provisions:

(a) The master policy shall be purchased by the Association for the benefit of the Association, the Owners and their mortgagors as their interest may appear (subject to the provisions of all Deeds of Trust, the Condominium Bylaws, the Declaration and the Act), and provision shall be made for the issuance of appraisals to the mortgagors of the Owners. The private mortgage endorsements to the mortgagors of the Owners. Owners shall obtain insurance coverage at their own expense upon their personal property and, in addition, shall obtain comprehensive personal liability insurance covering liability for damage to person or property of others located within such Owner’s unit or in another unit or upon the common elements resulting from the negligence of the insured Owner other than as a member of the Association or Board, directors, but in no case less than $500,000.00 for each occurrence. All property and liability insurance carried by an Owner or the
Association shall contain waivers of subrogation and waivers of any defense based upon co-insurance or invalidity arising from any acts of the insured and shall provide that such policies may not be cancelled or substantially modified without thirty (30) days prior written notice thereof to each of the insureds, including all mortgagees of units and the Vendor under the Land Sale Contract.

(b) Units and common elements of the condominium project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the full replacement cost thereof of not less than an eighty percent (80%) co-insurance basis, with waiver of depreciation and waiver of subrogation endorsements. The Association shall use its best efforts to cause the liability insurance carried by the Association to contain appropriate provisions to cover liability of each of the Owners, individually and as a group, to another Owner.

(c) All premiums upon insurance purchased by the Association pursuant to these Condominium Bylaws shall be included in the Association’s budget in accordance with paragraph 3.02 (a) hereof, except that the amount of increase of such premiums occasioned by the misuse or abandonment of a unit or the common elements by an Owner shall be assessed against such Owner.

(d) Proceeds of all insurance policies owned by the Association shall be received by the Association as Association receipts, held in a separate account and distributed to the Owners and their mortgagees (subject to the provisions of all Deeds of Trust, these Condominium Bylaws, the Declaration and the Act) as their interest may appear; provided, however, whenever repair or reconstruction of the condominium project shall be required as provided in Article 6 of the condominium bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction under the Declaration and these Condominium Bylaws shall be applied to such repair or reconstruction.

(e) Each Owner, by ownership of a unit, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of the master policy. Without limiting the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit the premiums therefor, to collect proceeds thereof, and to distribute the same to the Association, the Owners and their respective mortgagees (subject to the provisions of these Condominium Bylaws, the Declaration and the Act) as their interest may appear, to execute releases of liability and to execute all documents and to do all things on behalf of such Owner and the Association as may be necessary and convenient to the accomplishment of the foregoing; and any insurer may deal exclusively with the Association in regard to such matter. The Association shall not be responsible for procurement or maintenance of any insurance covering the contents for the interior of any unit nor the liability of any Owner for incurrences therein not caused by or connected with the Association’s operation, maintenance or use of the condominium project.
ARTICLE 6. RECONSTRUCTION OR REPAIR

6.01 VOTE OF MEMBERS. If less than two-thirds (2/3)rd of the value of the condominium project shall be damaged by fire or any other casualty, then the condominium project shall be rebuilt or repaired. If such damage shall affect more than two-thirds (2/3)rd of the value of the condominium project, then reconstruction shall not be compulsory without the unanimous consent of all of the Owners. Value shall be defined as the fair market value prior to the damage.

6.02 PLAN FOR RECONSTRUCTION. Any reconstruction or repair of the condominium project or any unit located therein shall be substantially in accordance with the Declaration and original plans and specifications for the condominium project unless the Owners shall unanimously decide otherwise.

6.03 REPAIR OF UNITS. Each Owner shall be responsible for the reconstruction, repair or replacement of the interior of his unit, including but not limited to the floor coverings, wall coverings, window shades, draperies, furniture, furnishings, decorative light fixtures and all appliances located therein. Each Owner shall also be responsible for the cost, not otherwise covered by insurance carried by the Association, of any reconstruction, repair or replacement of any portion of the condominium project necessitated by his negligence or misuse or the negligence or misuse by his guests, agents, employees or contractors. If any damage to all or any part of the interior of an Owner’s unit is covered by insurance held by the Association for the benefit of such Owner, then such Owner shall begin reconstruction or repair of such damage upon receipt of the insurance proceeds and any portion thereof from the Association, subject to the rights of the Association to supervise, approve or disapprove such reconstruction or repair during the course thereof. In the event damage to all or any part of the interior of an Owner’s unit is not covered by insurance held by the Association for the benefit of such Owner, then such Owner shall begin reconstruction or repair of his unit within sixty (60) days after the date of such damage, subject to the right of the Association to supervise, approve or disapprove of such reconstruction or repair during the course thereof.

6.04 COSTS OF REPAIR. As soon as possible after the occurrence of a casualty which causes damage to any part of the condominium project or which the Association has insurance coverage (hereinafter referred to as the “casualty”), the Association shall obtain reliable and detailed cost estimates of the following:

(a) The cost of restoring all damage caused by the casualty to the common elements (hereinafter referred to as the “common element cost”); and

(b) The cost of restoring that part of the damage caused by the casualty to each unit which is or would be covered by insur-
ance by the Association without regard to the policy limits of such insurance (hereinafter referred to as the "unit cost").

All insurance proceeds available to the Association with respect to the casualty shall first be applied to the payment of the actual common element cost or the balance thereof, if any, shall thereafter be applied to the payment of the actual unit costs. However, if such insurance proceeds are not sufficient to cover such estimated costs, then an assessment shall be made against the Owners by the Association in the following manner:

(i) All Owners shall be assessed on the basis of their percentage ownership in the condominium project for the payment of the estimated common element costs not otherwise paid for by insurance held by the Association.

(ii) Each Owner of a damaged unit shall be assessed an amount equal to the difference between his estimated unit costs and a sum calculated by multiplying the amount, if any, of the remaining insurance proceeds held by the Association with respect to the casualty by a fraction, the numerator of which is his estimated unit cost and the denominator of which is the total of all of the estimated unit cost.

6.05 EMINENT DOMAIN. In the event of any taking of any unit in the condominium project by eminent domain, subject to all Deeds of Trust, the Owner and his mortgagee of such unit shall be entitled to receive the award for such taking, and after acceptance thereof he and his mortgagee shall be divested of all interest in the condominium project if such Owner shall vacate his unit by virtue of such taking. If any repair or rebuilding of remaining portions of the condominium project is required as a result of such taking, a majority of the remaining units shall determine by vote or written consent whether to rebuild or repair the condominium project or to take such other actions as such remaining Owners deem appropriate. If no repair or rebuilding shall be required or shall be undertaken, the remaining portion of the condominium project shall be resurveyed and the Declaration and plat shall be amended as provided in paragraph 13 of the Declaration to reflect such taking and to proportionately readjust the percentages of ownership of the remaining Owners based upon a continuing total ownership of the condominium project of one hundred percent (100%).

ARTICLE 7. RESTRICTIONS

7.01 MODIFICATIONS. No Owner shall make structural alterations or modifications of his unit or to any of the common elements, including, but not limited to, the erection of antennas, aerials, awnings, the placement of any reflective or other material in the windows of a unit or other exterior attachments without the written approval of the Association. The Association shall not approve
any alterations, decorations or modifications which would jeopardize or impair the soundness, safety or appearance of the condominium project, unless the consent of all unit Owners affected is first obtained.

7.02 USE OF UNITS. A unit shall be used solely as professional office space for medical doctors licensed to practice in the state of Oregon. If written approval is secured from all unit Owners, however, a unit may be used as office space for any person engaged in health services or a related profession.

7.03 IMPROPER ACTIVITIES. No immoral, improper, unlawful or offensive activity shall be carried on in any unit or upon the common elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Owners. No Owner shall do or permit anything to be done or keep or permit to be kept in his unit or on the common elements anything that will increase the rate of insurance on the condominium project.

7.04 SIGNS. No signs or other advertising devices shall be displayed which are visible from the exterior of any unit or on the common elements, including "For Sale" signs, except in conformity with rules and regulations promulgated by the directors, provided, however, that the tenants or Owners of the units may have signs on their windows and doors within such limitations on size and type as the rules of the Board of Directors may allow, but not on the exterior walls of the improvements, and provided, further, that no Owner shall be excluded from any building directory unless prohibited by law or ordinance.

7.05 USE OF COMMON ELEMENTS. The common elements shall not be used for storage of supplies, personal property or trash or refuse of any kind except common trash receptacles placed at the discretion of the directors, nor shall the common elements be used in any way for the drying, shaking or airing of clothing or other fabrics. Stairs, entrances, sidewalks, yards, driveways, and parking areas shall not be obstructed in any way nor shall unauthorized persons use them for other than their intended purposes. In general, no activities shall be carried on nor condition maintained by any Owner either in his unit or upon the common elements which depletes the appearance of the condominium project.

7.06 MAINTENANCE OF UNIT. Each Owner shall maintain his unit in clean, safe and sanitary condition. Each Owner shall also use due care to avoid damaging any of the common elements or any other unit, and each Owner shall be responsible for his negligence or misuse of any of the common elements or of his own facilities resulting in damage to the common elements or any other unit.

7.07 RULES AND REGULATIONS. Rules and regulations concerning the use of the condominium project shall be promulgated by the Board of Directors at the first annual meeting of the Board, and such rules and regulations shall be binding on all members of the Association.
unless duly amended by a majority of the Board at a meeting of the board called for such purpose.

7.08 ACCESS OF AGENTS. The Association or its agents shall have access to each unit from time to time during reasonable working hours, upon notice to its Owner, as may be necessary for the maintenance, repair or replacement of any of the common elements or other units. The Association or its agent shall also have access to each unit at all times without notice as may be necessary to make emergency repairs to prevent damage to the common elements or other units. If requested by the Association, each Owner shall furnish to the Association a duplicate key to the entrance door to his unit and shall furnish a new duplicate key upon any change of locks thereto.

7.09 SALE OR LEASE. No Owner may sell or transfer a unit or any interest therein, nor grant a long-term lease relating to a unit, unless such Owner first complies fully with the notice and other requirements contained in section 7 of the Declaration; provided, however, that the following shall not be subject to the requirements (i) conveyances by devise or inheritance; (ii) transfer by one Joint Owner of a unit to one or more other Joint Owners of the same unit; (iii) upon the dissolution of a professional corporation which is an Owner, the conveyance of a unit to the shareholders as Joint Owners; (iv) upon the formation of a professional corporation by an Owner or Joint Owners to such professional corporation; or (v) upon the admission of a new partner to a medical partnership which is an Owner or a medical partnership formed by an Owner, the conveyance of an individual interest in the unit to such new partner for the conveyance of such unit to such medical partnership.

ARTICLE 8. MORTGAGES

8.01 NOTIFICATION OF ASSOCIATION. Any Owner who mortgages his unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled “Mortgages of Units.” The Association shall report to such mortgagee any unpaid assessment due from the Owner of such unit at the same time as the Association makes demand on the Owner of the unit for payment of such assessment.

8.02 NOTIFICATION OF MORTGAGEES. The Association shall notify each mortgagee appearing in the book described in paragraph 8.01 herein of the name of each company insuring the condominium project under the master policy and the amounts of the coverage thereunder.

ARTICLE 9. COMPLIANCE

9.01 ACCEPTANCE OF GOVERNING RULES. The Association, all present or future Owners, tenants or future tenants, or any other persons using the facilities of the condominium project are subject to and shall comply with the Act, the Declaration, the Condominium Bylaws and the Articles of Incorporation or Corporate Bylaws, if any.
Rules and regulations of the Association, and the acquisition, occupancy or rental of a unit shall signify that all such documents are accepted and ratified. In the event of a conflict in any provision of such documents, the documents shall govern or control in the following order of preference: (1) the Act, (2) the Declaration, (3) the Condominium Bylaws, (4) the Articles of Incorporation of the Association, (5) the Corporate Bylaws of the Association, and (6) the rules and regulations of the Association.

9.02 AMENDMENT OF CONDOMINIUM BYLAWS. These Condominium Bylaws may be amended from time to time at a meeting of the members of the Association called for such purpose upon the affirmative vote of a majority of the unit owners with the consent of the mortgagees, if any, of such units. If required by law, all amendments to these Bylaws must be approved by the Real Estate Commissioner pursuant to ORS 94.152(5), or any other relevant section of the Condominium Act.

ARTICLE 10. ADDITIONS AND ALTERATIONS BY THE ASSOCIATION

Whenever in the judgment of the directors the common elements shall require additions, alterations or improvements costing more than Three thousand dollars ($3,000.00) which are not to be made at the expense of any individual owner for the owner’s own benefit, and the making of such additions, alterations or improvements shall have been approved at an annual meeting or special meeting of the Association and by the mortgagees holding mortgages or deeds of trust constituting first liens upon not less than two-thirds (2/3rds) of the percentage of ownership of the units, the directors shall proceed to cause such additions, alterations or improvements to be made and shall assess all owners for the costs thereof at a special assessment. Any additions, alterations or improvements costing Three thousand dollars ($3,000.00) or less may be made by the directors without further approval of the owners or any mortgagees of the units, and the costs thereof may be assessed against the owners as a special assessment, provided, however, that no more than Three thousand dollars ($3,000.00) shall be expended for any such purposes in any one year without approval by two-thirds (2/3rds) of the unit owners at a meeting of the Association.

ARTICLE 11. DEFAULT

11.01 DEFINITION. Failure to comply with any of the terms of the Declaration, these Condominium Bylaws, the Articles of Incorporation or Corporate Bylaws or duly adopted rules and regulations of the Association shall constitute an event of default and shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages and injunctive relief, or any combination thereof.
11.02 COSTS. In any judicial proceeding or arbitration arising because of any alleged default by any Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and reasonable attorneys fees from such Owner.

11.03 NO WAIVER. The failure of the Association or of any Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Condominium Bylaws, the Articles of Incorporation, Corporate Bylaws or duly adopted rules and regulations of the Association shall not constitute a waiver of the right of the Association or of any such Owner to enforce such right, provision, covenant or condition in the future.

11.04 RIGHTS CUMULATIVE. All rights, remedies and privileges granted to the Association or any Owner pursuant to any provision of the Declaration, Condominium Bylaws, Articles of Incorporation, Corporate Bylaws or duly adopted rules and regulations of the Association, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such additional rights, remedies or privileges as may be available to such party at law or in equity.

ARTICLE 12. SEVERABILITY

In the event that any of the terms, provisions or covenants of these Condominium Bylaws are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

ARTICLE 13. ACTION WITHOUT A MEETING

Any action which the Oregon Condominium Act, the Declaration or the Bylaws require or permit the Owners or directors to take at a meeting may be taken without a meeting if a consent in writing setting forth the action to be taken is signed by all of the Owners or directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the Owners or directors, shall be filed in the records of minutes of the Association.

ARTICLE 14. TABLE OF CONTENTS; HEADINGS

The Table of Contents and headings used in these Condominium Bylaws have been inserted for convenience only and do not constitute matter to be construed in interpretation.
STATE OF OREGON  ss.
County of Yamhill

On this 25th day of August, 1983, personally appeared before me, the above named GEORGE T. BARKER, M.D. and acknowledged the foregoing instrument to be his voluntary act and deed.

J. K. Kilgo
Notary Public for Oregon
My Commission Expires: 6/11/87

STATE OF OREGON  ss.
County of Yamhill

On this 25th day of August, 1983, personally appeared before me, the above named HARRY C. McCULLEY, M.D. and acknowledged the foregoing instrument to be his voluntary act and deed.

J. K. Kilgo
Notary Public for Oregon
My Commission Expires: 6/11/87

STATE OF OREGON ss.
County of Yamhill

I, hereby certify that the within was received and duly recorded by me in Yamhill County records:

YAMHILL COUNTY REC.

VOL. 179 Page 1821

CHRLY CLERK
C. C. CLERY

11/29/83