CRAFTSMAN SQUARE CONDOMINIUMS
DECLARATION OF CONDOMINIUM OWNERSHIP

WHEREAS, the undersigned Declarant desires to submit the land herein described and all improvements now existing or hereafter to be constructed on such property to the provisions, restrictions, and limitations of the Oregon Condominium Act, ORS 100.005 through ORS 100.910;

NOW, WHEREFORE, in consideration of the mutual covenants and restrictions contained herein, it is declared as follows:

Section 1. **Definitional Terms.**

As set forth in this Declaration, the following terms are defined as follows:

a. "Association" is defined as the Association of Unit Owners of Craftsman Square Condominiums, which is an Oregon nonprofit corporation.

b. "Common Expenses" is defined as expenses of administration, maintenance, repair, and replacement of the common elements, including deposits into the working capital fund and reserve fund, together with such expenses agreed upon as common by the Association in the manner set forth in the Bylaws or Declaration, and expenses declared common by ORS 100.005 to 100.625.

c. "Condominium" is defined as Craftsman Square Condominiums, including all buildings, improvements, and appurtenant rights and easements.

d. "Declarant" means NWT Development, LLC, an Oregon Limited Liability Company as to 75% and Mart Storm as to 25%.

e. "Eligible Mortgage Holder" is defined as a holder of a first mortgage/trust deed on a unit who has requested notice of certain matters from the Association in accordance with the
FNMA Conventional Home Mortgage Selling Contract Supplement.

f. "Manager" is defined as the person or firm, if any, hired by the Board of directors of the Association to be in charge of the administration of and to manage the Condominium.

Section 2. Name of the Condominium.

The name by which the Condominium associated with this Declaration shall be known is Craftsman Square Condominiums.

Section 3. Land Description.

This Declaration is subject to the provisions, restrictions, and limitations of the Oregon Condominium Act, as well as a fee simple interest in the land situated in Yamhill County, and more particularly described on attached Exhibit "A".

Section 4. Unit and Building Descriptions.

The Condominium shall consist of a total of eighteen (18) living units (1 of 2137 square feet, 5 of 1204 square feet, 9 of 1322 square feet, 3 of 960 square feet), situated in eighteen (18) separate buildings, with each building being two (2) story wood frame structures, with the exception of the 960 square foot unit of which each is one (1) story and the 2137 square foot unit which also has a basement level, with exterior horizontal siding, board and batten siding, and cedar shake siding trim on all of the aforesaid units (there are no basements with any of the said units, except 10). The designation, location, and area in square feet of each unit are shown on Exhibit B and on the Plat. Each unit shall be bounded by the exterior surfaces of its perimeter walls, foundations, and roofs, exclusive of any common elements. Each unit shall also include all wallboard, plasterboard, plaster, lathe, furring, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof as set forth herein. All other portions of the walls, floors or ceilings shall also be a part of the exclusive elements. In addition, each unit shall also include the following:

a. All spaces, nonbearing interior partitions, windows, window frames, exterior doors, door frames, and all other fixtures and improvements within the boundaries of the unit; and

b. All outlets of utility service lines, including but not limited to electricity, light, hot and cold water, heating, refrigeration, air conditioning, and waste and sanitary disposal within the boundaries of the unit, but shall not include any part of such lines or ducts themselves.

The vertical and horizontal boundaries, dimensions, number designation, and location of each unit are shown on the plat which is being recorded simultaneously with this Declaration and which is made a part of this Declaration as if it was fully set forth herein.
Section 5. **Common Elements.**

The general common elements consist of all portions of the Condominium which are not part of a unit or a limited common element, including but not limited to the aforesaid land, foundations, parking spaces not assigned as limited common elements, driveways, walkways, landscaping, and recreational facilities; utility services and utility lines up to the exterior of the unit; and all other elements of the building necessary or convenient to its existence, maintenance, and safety, or normally in common use.

a. The limited common elements shall consist of 18 patios and yards associated with Units #1-18, the use of such limited common element is restricted to the unit to which it is adjoined. The maintenance and repair of this limited common element shall be the sole responsibility of the owner(s) of the unit to which it is adjoined.

b. Two (2) parking spaces associated with each unit (with the parking spaces more particularly set forth on attached Exhibit "C"), with the use of each limited common element restricted to the unit to which it is adjoined and/or designated as set forth on Exhibit "C". The maintenance and repair of this limited common element shall be the responsibility of the Association.

c. Any reassignment of the limited common element parking must be done via an amendment to the Declaration which must be approved by the Unit owners and mortgagees in accordance with Oregon law.

Section 6. **Allocation of Interest in Common Elements.**

Each unit shall have an undivided one-eighth (1/18) interest in the common elements, with the said interests in common elements allocated equally to each unit. Such undivided interest in the common elements shall not be separated from the unit to which it appertains and shall be conveyed or encumbered with the unit even though such interest is not expressly set forth or described in the conveyance or other instrument. The common elements shall remain undivided, and no unit owner may bring any action for partition or division of any part thereof while the Condominium is subject to this Declaration, as any covenant to the contrary is void and unenforceable.

Section 7. **Ownership of Units.**

Each individual unit, together with its undivided interest in the common elements, if any, shall be owned by the unit owner and may be individually conveyed and encumbered and be the subject of ownership, possession, sale or other disposition as though it were solely and entirely independent of the other units, and the said individual titles and interest shall be recordable. Each unit owner shall be entitled to the exclusive ownership, possession, and enjoyment of his unit, and each unit owner shall also be subject to all the rights and duties assigned to the unit owners under the terms of this Declaration and the Bylaws. When there are unsold units,
Declarant shall also enjoy the same rights, and Declarant assumes the same duties as they relate to each individual unsold unit. Each unit owner has an unrestricted right of ingress and egress to his or her unit, as this right shall be perpetual so that it passes with the unit as transfers of ownership of the unit occur. Any conveyance, encumbrance, judicial sale or other transfer (whether voluntary or involuntary) of an individual interest in the common elements shall be void unless the unit to which that interest is allocated is also transferred.

Section 8. Taxation of Units.

Each unit, with its allocation of undivided interest in the common elements, shall be considered a parcel of real property subject to separate assessment and taxation by any taxing unit in like manner as other parcels of real property as required by ORS 100.555. The common elements shall not be considered a separate parcel for purposes of taxation.


Each unit shall be entitled to one vote. In the event that a unit is co-owned by two or more people, the unit shall only be entitled to one vote.

Section 10. Maintenance, Improvement, and Intended Use of Units.

Subject to ORS 100.535, a unit owner shall make no repair or alteration or perform any other work on his unit which would jeopardize the soundness, structural integrity, or safety of the Condominium, reduce the value thereof, impair any easement or hereditament, or increase the Common Expenses of the Association, unless the first obtaining the consent of the board of directors and all other unit owners. The units shall be used only for residential use and related purposes.

Section 11. Use and Maintenance of Common Elements.

Each unit owner may use the common elements in accordance with the purposes for which they are intended, but the unit owner may not hinder or encroach upon the lawful rights of any of the other unit owners. The common elements may be used to provide utility services to the units at locations and on terms approved by the board of directors. As provided in ORS 100.405(5), the Association, through the board of directors, shall have the right to grant permits, licenses, and easements over the general and limited common elements for utilities, roads, and other purposes necessary for the proper operation of the Condominium.

The necessary work to maintain, repair or replace the common elements, and additions or improvements to the common elements, shall be the responsibility of the Association and shall be effectuated as provided in the Bylaws. Notwithstanding anything contained in this Declaration to the contrary, any damage caused by the negligence or intentional act of a unit owner, or his or her invitee, guest or servant, or agent, shall be repaired by the Association at such owner’s sole cost and expense.
Repair, maintenance, and replacement of door and door frames (including patio and garage doors), windows, and window frames are the responsibility of individual owners, and exterior painting shall be the responsibility of the unit owner. The maintenance and repair of the limited common element that consists of the patio and yard adjoining each unit shall be the sole responsibility of the owner(s) of the unit to which it is adjoined.

The Association shall have the right, to be exercised by the board of directors or any manager employed by the board of directors, to have access to each unit as may be necessary for the maintenance, repair or replacement of the common elements, to make emergency repairs therein necessary for the public safety, and to prevent damage to the common elements or to another unit or to abate any nuisance existing in any unit.


The affairs of the Association shall be governed and managed by a board of directors as provided in the Bylaws. The board of directors shall elect officers consisting of a Chairman, Secretary, and Treasurer. Pursuant to the terms and conditions set forth in the Bylaws and also pursuant to the Oregon Condominium Act, the board of directors may adopt administrative rules and regulations associated with details of the operation, maintenance, and use of the Condominium, and to prevent unreasonable interference with the use of the respective units and of the common elements by the several unit owners. The board of directors may also retain an individual or firm to act as Manager of the Condominium. Any such agreement shall provide for a term of three (3) years and may be terminated, with or without cause, upon ninety (90) days written notice to all parties affected. This individual or firm would be responsible for managing the real property and is required to be licensed with the Oregon Real Estate Agency.

The board of directors may also retain a management company to manage the affairs of the condominium association. This individual or firm would not manage the real property and would not be required to be licensed with the Real Estate Agency. Any such agreement shall provide for a term of three (3) years and may be terminated, with or without cause, upon ninety (90) days written notice to all parties affected.

Section 13. Adoption of Bylaws.

Pursuant to the requirements of the Oregon Condominium Act, the Declarant has adopted Bylaws which are being recorded in the official recording records of Yamhill County, State of OR, to govern the administration of the Condominium. The said Bylaws may be amended from time to time as provided therein.

Section 14. Compliance With Bylaws and Other Restrictions.

Each unit owner shall comply with the Bylaws and with the administrative rules and regulations adopted thereto, and with the covenants, conditions, and restrictions in this Declaration and in the deed to his unit. Failure by a unit owner to comply therewith shall be
grounds for an action maintainable by the Association or by an aggrieved unit owner, in addition to other sanctions which may be provided by the Bylaws or by the administrative rules and regulations. A unit owner shall also have similar rights of action against the Association.

Section 15. **Person to Receive Service of Process in Certain Cases.**

The designated agent to receive service of process in cases provided in ORS 100.550(1), is named in the Condominium Information Report which will be filed with the Oregon Real Estate Agency pursuant to ORS 100.260.

Section 16. **Easements and Other Interests.**

Pursuant to ORS 100.405 (5), the Association has the authority to execute, acknowledge, deliver, and record on behalf of the unit owners leases, permits, easements, rights-of-way, licenses, and other similar interests affecting the general and limited common elements for utilities, roads, and other purposes reasonably necessary or useful for the maintenance or operation of the Condominium. The granting of any interest under this said Section shall be first approved by at least seventy-five (75)% of the unit owners. The instrument granting an interest pursuant to this said section shall be executed and acknowledged by both the Chairman and Secretary, and shall state that such granting was approved by at least seventy-five (75)% of the unit owners.

Section 17. **Receipts and Expenses.**

All income and profits derived from the general common elements shall be distributed among and all Common Expenses shall be charged to the unit owners equally as to each unit owner. No unit owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit.

A working capital fund shall be established for the initial months of the Condominium operation equal to Declarant's estimate of two months' monthly Association regular assessments. Each unit's share of the working capital fund shall be non-refundable, and shall be collected and transferred to the Association at the time of closing of the initial sale of each unit and maintained in a segregated account for the use and benefit of the Association. The purpose of the fund is to ensure that the Association shall have cash available to meet unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the board of directors. Amounts paid into the working capital fund shall not be considered as advance payments of regular assessments. Declarant shall not use the working capital funds to defray any of its expenses, reserve contributions or construction costs, or to make up any budget deficits while it is in control of the Association.

Section 18. **Lien of Association Against Unit.**
The board of directors shall have the authority and the duty to levy and enforce the collection of general and special assessments for Common Expenses. Whenever the Association levies any assessment for Common Expenses against a unit, the Association, upon complying with this section, shall have a lien upon the individual unit and the undivided interest in the common elements appertaining to such unit for the reasonable value of such Common Expenses allocable to such unit and for any unpaid assessments and interest as provided in ORS 100.450, plus costs and reasonable attorney fees, and the lien shall be prior to all other liens or encumbrances upon the unit, except for:

a. Tax and public improvement assessments liens and a prior mortgage or trust deed of record, subject to ORS 100.450(7).

Each assessment shall be a separate and personal debt and obligation of the unit owner against whom the same is assessed at the time the assessment fell due and shall be collectible as such. Such personal obligation shall not pass to successors in title unless assumed by them or required by law. The Association shall cause to be recorded in Yamhill County, OR, a notice of lien claim pursuant to ORS 100.450 with respect to any assessment which has not been paid within thirty (30) days from the mailing of the notice of assessment. The notice of lien claim shall be filed within ten (10) days following the expiration of such 30-day period. The Association shall be entitled to recover, in any suit to foreclose or action to recover a money judgment for unpaid Common Expenses, interest on the delinquent assessment at the rate of 12% per annum and costs, including reasonable attorney fees in such suit or action or any appeal therefrom.

A lien for Common Expense assessments shall not be affected by any sale or transfer of a unit, except that a sale or transfer pursuant to a foreclosure of a first mortgage or trust deed or a deed in lieu of foreclosure to the extent permitted by ORS 100.465 shall extinguish and foreclose a subordinate lien for assessments which become payable prior to such sale or transfer. Any such delinquent assessments which were extinguished pursuant to the foregoing provision may be reallocated and assessed to all units as a Common Expense. Any such sale or transfer pursuant to a foreclosure shall not relieve the purchaser or transferee of a unit from liability for, nor the unit from the lien of, an assessment made thereafter.

In case of foreclosure, the unit owner shall be required to pay a reasonable rental for the unit, and the plaintiff in the foreclosure suit shall be entitled to the appointment of a receiver to collect the rental, without regard to the value of the security. An action to recover a money judgment, together with reasonable attorney fees for unpaid Common Expenses, may be maintained without foreclosing or waiving the lien securing the claim for common proceeds.

Section 19. Power of Condominium Manager to Bid at Foreclosure Sale.

In any suit to foreclose a lien of the Association against a unit, the board of directors or the manager, acting on behalf of the unit owners, shall have power to bid on the unit at the foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. The board of
directors or the Manager, acting on behalf of the unit owners, is prohibited from bidding on or otherwise acquiring a unit in any other foreclosure suit.

Section 20. **Insurance.**

The Association, by and through the board of directors, shall obtain and keep in effect at all times insurance coverage as specified in the Bylaws. The board of directors shall not be responsible for procuring fire and extended coverage insurance covering the furniture, fixtures, equipment or contents located in the individual units. The insurance obtained by the Association, by and through the board of directors, as required by this section, shall be a Common Expense.

Section 21. **Damage or Destruction.**

If a building within the Condominium is damaged or destroyed, the board of directors shall immediately proceed to rebuild and restore the building so damaged or destroyed in accordance with the Bylaws.

Section 22. **Easements for Encroachment.**

If any part of the common elements now or hereafter encroaches upon any unit, or if any unit now or hereafter encroaches upon any other unit or upon any portion of the common elements, an easement for such encroachment and the maintenance thereof, as long as it continues, shall exist. In the event a unit or a building containing units shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements upon any unit, any unit upon any other unit, or upon any portion of the common elements due to the construction, shall be permitted as set forth in ORS 100.520, and easements for such encroachments and the maintenance thereof shall exist.

Section 23. **Mortgage Protection.**

The liens created hereunder upon any unit shall be subject to and subordinate to, and shall not affect the rights of or the holder of the indebtedness secured by any recorded first mortgage or deed of trust (defined as a mortgage with first priority over other mortgages) upon such interest made in good faith and for value. After repossession or the foreclosure of any such mortgage, there may be a lien created pursuant to Section 19 hereof on the interest of the owner of the unit or of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder after the date of such repossession or foreclosure sale, which lien, if any is claimed, shall have the same effect and be enforced in the same manner as provided herein.

The holder, insurer or guarantor of the mortgage on any unit shall have the right to timely written notice of (1) Any condemnation or casualty loss that affects either a material portion of the Condominium or the unit securing its mortgage, (2) Any 60-day delinquency in the payment
of assessments or charges owed by the owner of any unit on which it holds the mortgage, (3) A lapse, cancellation or material modification of any insurance policy maintained by the Association, and (4) Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

The mortgage holder, insurer, or guarantor must send a written request for this information to the Association, stating both its name and address and the unit number or address of the unit on which it has (or insures or guarantees) the mortgage in order to obtain the foregoing information.

No amendment to this section shall affect the rights of or the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof.

Section 24. **Limits on Use of Units and Common Elements.**

The units shall be used for residential purposes and related uses. Any lease or rental agreement with respect to a unit must be in writing and be subject to the requirements of this Declaration and the Association. Nothing shall be done, kept, or stored in any unit or in the common elements which will increase the rate of insurance on the Condominium without the prior written consent of the board of directors. No unit owner shall permit anything to be done, kept, or stored in his unit which will result in the cancellation of the insurance on any part of the Condominium. The board of directors shall have the power to adopt rules and regulations for use of the common elements, and there shall be no violation of such rules. No automobile maintenance or repair shall be permitted on the common elements.

Section 25. **Amendment.**

Except as otherwise provided in the Oregon Condominium Act, no amendment may change the allocation of undivided interest in the common elements, the method of determining liability for Common Expenses, the right to common profits or the voting rights of any unit as expressed in this Declaration, unless such amendment has been approved by the owners of the affected units, and such unit owners shall record an amendment to this Declaration setting forth the altered allocation of each unit owner having an interest and, if required by law, the amendment is approved by the Real Estate Commissioner pursuant to ORS 100.135.

Except as provided herein or in ORS 100.105, this Declaration may be amended consistent with the provisions of the Oregon Condominium Act by the affirmative vote of 75% of the voting rights at the annual meeting of the Association, or at any special meeting called for such purpose, or by written proxy or written consent of 75% of the voting rights. Such amendment shall be effective upon the recordation of an instrument executed and acknowledged by the Chairman and Secretary of the Association with the Yamhill County Recording Officer, setting forth such amendment in full and the amendment is approved by the Real Estate Commission pursuant to ORS 100.135.
Except as provided herein,

a. This Declaration and Plat may be amended to change a general common element to a limited common element or change the boundary of a limited common element with the approval of at least 75% of the unit owners and approval of the owners of all units to which the limited common element appertains.

b. This Declaration may be amended to change a limited common element, or portion thereof, to a general common element with the approval of the owners of all units to which the limited common element appertains and the approval of the board of directors.

Except as provided herein and in the Oregon Condominium Act, an amendment that changes the boundary of the property or a unit shall be approved by all unit owners. Such amendment shall constitute a conveyance and shall include words of conveyance. In addition to the certification required as set forth above, an amendment to the boundary of a unit shall also be executed by the owners of all affected units.

a. An amendment that adds property owned by the association to the condominium as a common element shall constitute a conveyance and shall:

1). Be approved by at least 75% of the unit owners;
2). Contain words of conveyance;
3). Be executed by the Chairman and the Secretary of the association on behalf of the unit owners and be certified as set forth above; and
4). Be accompanied by a plat amendment in accordance with ORS 100.115.

An amendment of a material nature must also be approved by eligible mortgage holders who represent at least fifty-one (51)% of the votes of units that are subject to mortgages held by eligible mortgage holders. An amendment will be regarded as material if it is material under the applicable provisions of the FNMA Selling Guide.

Section 26. Administrative Control.

Until the date of conveyance to persons other than Declarant of seventy-five (75)% of the units, or until three years following conveyance of the first unit, whichever occurs earlier,

a. Declarant may appoint and remove officers and members of the board of directors of the Association,

b. Notwithstanding the terms and conditions of Section 9 as set forth above, Declarant shall have two (2) votes with respect to each unit owned by Declarant.

c. Declarant shall have the right to exercise all the powers of the board of directors under this Declaration and the Oregon Condominium Act, except that Declarant may not bind
the Association, prior to passage of control, either directly or indirectly to contracts or leases, including a management contract, unless the Association is provided with a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control, upon not more than ninety (90) days written notice to the other party thereto,

d. This Declaration and the Bylaws shall not be amended without Declarant's consent, and

e. Declarant shall have the right to occupy the common elements in connection with its construction activities so long as such activities do not unreasonably interfere with use of the common elements by other unit owners.

Section 27. **Termination of Legal Status.**

Termination of the legal status of the Condominium for reasons other than substantial destruction of the Condominium must be approved as set forth in ORS 100.600.

Section 28. **Miscellaneous.**

These condominiums are not flexible condominiums and do not contain variable property.

IN WITNESS WHEREOF, the undersigned has executed this DECLARATION this 2nd day of December, 2004.

[NWT Development LLC
By: Marc Willcuts, Managing Member

Mart Storm, Individually]
State of Oregon
)
ss
County of Yamhill
)

Personally appeared the above-named Marc Willcuts before me who stated that he was the managing member of NWT Development LLC and that he had the authority of the other members to execute this said document and Mart Storm and acknowledged the foregoing instrument to be their voluntary act and deed.

Subscribed and sworn to before me this 2 day of December 2004.

Notary Public for Oregon
My commission expires: 10/23/08

The foregoing DECLARATION is approved pursuant to ORS 100.110 this 3rd day of December, 2004 and in accordance with ORS 100.110 (7), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this date.

Scott W. Taylor
Real Estate Commissioner

By: __________________________

The foregoing DECLARATION is approved pursuant to ORS 100.100 this 30th day of December, 2004.

Yamhill County Assessor
By: __________________________

The foregoing DECLARATION is approved pursuant to ORS 100.100 this 30th day of December, 2004.

Yamhill County Tax Collector
By: __________________________
EXHIBIT "A"

Tract 23 and Part of Tract 24 of HURLEY'S FRUITLAND SUBDIVISION in Section 19, Township 3 South, Range 2 West, of the Williamette Meridian, Yamhill County, Oregon, and being more particularly described as follows:

Beginning at the Southwest corner of said Tract 23; thence South 89°23'08" East, 120.72 feet along the South line of Tracts 23 and 24 to an iron; thence North 00°38'00" East, 74.93 feet to an iron rod; thence South 89°26'38" East, 66.72 feet to an iron rod on the East line of said Tract 24; thence North 00°38'00" East, 201.06 feet along the East line of said Tract 24 to the South of Yamhill County Partition Plat No. 94-43; thence North 89°22'00" West, 2.00 feet to the Southwest corner of said Partition Plat No. 94-43; thence North 00°38'00" East, 124.00 feet to the Northwest corner of said Partition Plat No. 94-43; thence South 89°22'00" East, 2.00 feet along the North line of Partition Plat No. 94-43 to the East line of Tract 24; thence North 00°38'00" East, 50.54 feet to the Northeast corner of said Tract 24; thence South 88°38'28" West, 187.61 feet along the North lines of Tracts 24 & 23 to the Northwest corner of Tract 23; thence South 00°38'00" West, 444.14 feet to the point of beginning.
<table>
<thead>
<tr>
<th>Designation</th>
<th>Location</th>
<th>Square Foot Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit 1</td>
<td>Bldg 1</td>
<td>1204</td>
</tr>
<tr>
<td>Unit 2</td>
<td>Bldg 2</td>
<td>1322</td>
</tr>
<tr>
<td>Unit 3</td>
<td>Bldg 3</td>
<td>1322</td>
</tr>
<tr>
<td>Unit 4</td>
<td>Bldg 4</td>
<td>960</td>
</tr>
<tr>
<td>Unit 5</td>
<td>Bldg 5</td>
<td>1204</td>
</tr>
<tr>
<td>Unit 6</td>
<td>Bldg 6</td>
<td>1322</td>
</tr>
<tr>
<td>Unit 7</td>
<td>Bldg 7</td>
<td>1322</td>
</tr>
<tr>
<td>Unit 8</td>
<td>Bldg 8</td>
<td>960</td>
</tr>
<tr>
<td>Unit 9</td>
<td>Bldg 9</td>
<td>1322</td>
</tr>
<tr>
<td>Unit 10</td>
<td>Bldg 10</td>
<td>2137</td>
</tr>
<tr>
<td>Unit 11</td>
<td>Bldg 11</td>
<td>1204</td>
</tr>
<tr>
<td>Unit 12</td>
<td>Bldg 12</td>
<td>1322</td>
</tr>
<tr>
<td>Unit 13</td>
<td>Bldg 13</td>
<td>1322</td>
</tr>
<tr>
<td>Unit 14</td>
<td>Bldg 14</td>
<td>1204</td>
</tr>
<tr>
<td>Unit 15</td>
<td>Bldg 15</td>
<td>1322</td>
</tr>
<tr>
<td>Unit 16</td>
<td>Bldg 16</td>
<td>1322</td>
</tr>
<tr>
<td>Unit 17</td>
<td>Bldg 17</td>
<td>1204</td>
</tr>
<tr>
<td>Unit 18</td>
<td>Bldg 18</td>
<td>960</td>
</tr>
<tr>
<td>UNIT #</td>
<td>LIMITED COMMON ELEMENT PARKING SPACE</td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>--------------------------------------</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>P1,P1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>P2,P2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>P3,P3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>P4,P4</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>P5,P5</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>P6,P6</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>P7,P7</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>P8,P8</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>P9,P9</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>P10,P10</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>P11,P11</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>P12,P12</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>P13,P13</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>P14,P14</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>P15,P15</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>P16,P16</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>P17,P17</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>P18,P18</td>
<td></td>
</tr>
</tbody>
</table>
BYLAWS
FOR
CRAFTSMAN SQUARE CONDOMINIUMS

ARTICLE 1 - PLAN OF UNIT OWNERSHIP

Section 1.1 Unit Ownership.

a. This said condominium, located in the City of Newberg, County of Yamhill, State of OR, known as CRAFTSMAN SQUARE CONDOMINIUMS, is submitted to the provisions of ORS 100.005 et seq., the Oregon Condominium Act (the term "condominium" as used herein shall include the real property and all improvements constructed thereon).

Section 1.2 Applicability of Bylaws.

a. The provisions of these bylaws are applicable to the condominium, the association of unit owners (herein known as the "Association"), and the entire management structure thereof.

Section 1.3 Personal Application.

a. All present or future unit owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the condominium in any manner, are subject to the provisions of these bylaws. The acquisition, occupancy, or rental of any of the units of the condominium, or the mere act of occupancy of any such units will constitute acceptance and ratification of these bylaws and agreement to comply with all the provisions hereof.

Section 1.4 Definitions.

a. Except as otherwise provided herein, the terms used in these bylaws shall have the same meanings and definitions as set forth in the Oregon Condominium Act, ORS 100.005 et seq., as supplemented by the declaration, and the statute and definitions are incorporated herein to these Bylaws by this reference.

ARTICLE 2 - ASSOCIATION, MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, AND PROXIES

Section 2.1 Membership in the Association.

a. Membership in the Association is limited to unit owners associated with the said Condominium. Upon the recording of a conveyance or contract to convey a unit, the grantee or purchaser set forth in the conveyance or contract shall automatically become a member of the Association, and shall remain a member of the Association until that said person's ownership ceases for any reason. For all purposes of the condominium declaration (herein known as "declaration"), and the administration of the property, unit ownership shall be determined, from
the records maintained by the Association. The record of ownership shall be established by the unit owner filing with the Association a copy of the deed to or land sale contract for his or her unit, and the unit owner shall affix thereto the certificate of the recording officer of the County of Yamhill, OR, showing the date and place of recording of such deed or contract. No person shall be recognized as a unit owner unless a copy of the deed or contract has been filed with the Association as provided above showing him to be the current owner or contract purchaser of a unit. Notwithstanding the above, the Declarant shall be the owner of all previously unsold units, although no deed or land sale contract with respect to such units has been filed with the Association.

Section 2.2 Voting.

a. Each unit shall be entitled to one vote per unit. If there are co-owners of a particular unit, that unit shall have only one vote, unless a valid court order establishes the authority of a co-owner to vote. The calling, scheduling, and conducting of all meetings of the Association and the exercise of voting rights shall be controlled by Articles 2 and 3 of these said Bylaws.

Section 2.3 Majority of Owners.

a. As set forth in these Bylaws, the term "majority of owners" is defined as those owners holding over 50 percent of the voting rights allocated to the unit owners in accordance with the declaration and Section 2.2 as set forth above. The term "majority of owners present" shall be defined as those owners who hold over 50 percent of the votes that are present at any legal meeting.

Section 2.4 Quorum.

a. A quorum is defined as a majority of the outstanding unit owners entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the Association. If less than a majority of the outstanding unit owners are represented at a meeting, a majority of the unit owners so represented may adjourn the meeting from time to time without further notice.

Section 2.5 Proxies and Ballots.

a. At all meetings of unit owners, a unit owner may vote by proxy executed in writing by the unit owner or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Association before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 2.6 Authority to Vote.

a. All unit owners shall be entitled to vote, including those who have leased their premises to a third party. A unit owner's right to vote may not be revoked. A purchaser under a contract for sale shall be deemed the owner of the said unit, unless otherwise set forth in the said
contract for sale.

Section 2.7 Fiduciaries and Joint Owners.

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

Section 2.8 Actions by Association and Legal Meetings.

a. Except as otherwise set forth in the Declaration, these bylaws or the Oregon Condominium Act, decisions and resolutions of the Association shall require approval by a majority of owners present at any legal meeting, as a legal meeting is defined as duly called pursuant to these Bylaws where a quorum is present in person, by proxy, or by ballot at a ballot meeting.

ARTICLE 3 - ADMINISTRATION

Section 3.1 Association Responsibilities.

a. The owners of the said units constitute the members of the Association, which is known as Craftsman Square Condominium Association. The said Association has the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments, and arranging for the operation, management, and maintenance of the condominium, including negotiating and contracting with and supervising any person, persons, or business entity with respect to such matters. The Association shall be considered as an Oregon nonprofit corporation and shall be registered as such.

b. Subject to the declaration and bylaws, the association may:

1) Adopt and amend bylaws and rules and regulations.
2) Adopt and amend budgets for revenues, expenditures and reserves and levy and collect assessments for common expenses from unit owners;
3) Hire and terminate managing agents and other employees, agents and independent contractors;

PAGE 3- BYLAWS FOR CRAFTSMAN SQUARE CONDOMINIUMS
4) Defend against any claims, proceedings or actions brought against it;
5) Subject to Article 16 Dispute Resolution of these bylaws, initiate or intervene in litigation or administrative proceedings in its own name, and without joining the individual unit owners, in the following:

   a. Matters relating to the collection of assessments and the enforcement of declarations and bylaws;
   b. Matters arising out of contracts to which the association is a party;
   c. Actions seeking equitable or other nonmonetary relief regarding matters that affect the common interests of the unit owners, including but not limited to the abatement of nuisance;
   d. Matters relating to or affecting common elements, including but not limited to damage, destruction, impairment or loss of use of a unit or portion thereof, if resulting from a nuisance or a defect in or damage to a common element or required to facilitate repair to any common element; and
   e. Any other matter to which the association has standing under law or pursuant to declaration, bylaws or any articles of incorporation.

6) Make contracts and incur liabilities;
7) Regulate the use, maintenance, repair, replacement and modification of common elements,
8) Cause additional improvements to be made as a part of the common elements;
9) Acquire by purchase, lease, devise, gift or voluntary grant real or personal property or any interest therein and take, hold, possess and dispose of real or personal property or any interest therein;
10) Impose and receive any payments, fees or charges for the use, rental or operation of the common elements;
11) Impose charges for late payments of assessments, attorney fees for collection of assessments and, after giving written notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, bylaws and rules and regulations of the association;
12) Adopt rules regarding the termination of utility services paid for out of assessments of the association and access to and use of recreational and service facilities available to unit owners and, after giving written notice and an opportunity to be heard, terminate the rights of any owners to receive such benefits or services until the correction of any violation covered by such rule has occurred;
13) Impose reasonable charges for the preparation and recordation of amendments to the declaration or statements of assessments;
14) Assign its right to future income, including the right to receive common expense assessments;
15) Provide for the indemnification of its officers and executive board and maintain directors’ and officers’ liability insurance;
16) Exercise any other powers conferred by the declaration or bylaws;
17) Exercise all other powers that may be exercised in this state by any such
association; and
18) Exercise any other powers determined by the association to be necessary and
proper for the governance and operation of the association.

Section 3.2 Place of Meetings.

a. The board of directors may designate any place, either within or without the State of
Oregon, as the place of meeting for any annual meeting or for any special meeting called by the
board of directors. A waiver of notice signed by all directors entitled to vote at a meeting may
designate any place, either within or without the State of Oregon, as the place for the holding of
such meeting. If no designation is made, or if a special meeting is otherwise called, the place of
meeting shall be the registered office of the Association in the State of Oregon.

Section 3.3 Turnover Meeting.

a. The turnover meeting (which shall constitute the initial organizational meeting) shall
be held not later than ninety (90) days following the earlier of conveyance to persons other than
Declarant of fifty (50) percent of the number of units or three years from the date of conveyance
of the first unit to someone other than Declarant in the Condominium, whichever is earlier. The
turnover meeting shall be called by notice to all unit owners of the time, place, and purpose
thereof not less than ten (10) nor more than fifty (50) days before the meeting. If such meeting is
not called by the said Declarant within the time specified herein, the meeting may be called and
notice given by any unit owner. Notice shall state the purpose of the meeting and time and place
where it is to be held.

1). At the said turnover meeting, the Declarant shall relinquish control of the
administration of the Association, and the unit owners shall assume such control, and the unit
owners shall elect a board of directors as set forth in the provisions of Article 4 of these said
bylaws. Furthermore, Declarant shall deliver to the Association those items specified in the
Oregon Condominium Act to be turned over by Declarant at the turnover meeting. In order to
facilitate an orderly transition, during the 3-month period following the turnover meeting,
Declarant or an informed representative of Declarant shall be available to meet with the board of
directors on at least three (3) mutually acceptable dates to review the documents delivered to the
Association as required by the Oregon Condominium Act and referred to above.

b. If the said turnover meeting required under paragraph a as set forth above is not called
by the Declarant within the said time specified, the meeting may be called and notice given by a
unit owner or any first mortgagee of a unit.

Section 3.4 Annual Meetings.

a. The first annual meeting of the Association shall be held in the calendar year
following the calendar year in which the turnover meeting is held and shall be scheduled by action of the board of directors. The time of this meeting, at the discretion of the board of directors, may be changed from time to time, but must be conducted annually under the terms and conditions as set out in these said Bylaws. At such annual meetings, new members of the board of directors shall be elected by the owners pursuant to the terms and conditions of Section 4.6 as set forth herein, to replace those directors whose terms have expired. The unit owners may also transact such other business of the Association as may properly be presented to them.

Section 3.5 Written Ballots

A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. The board of directors must provide owners with at least 10 days' notice before written ballots are mailed or otherwise delivered. If, at least three days before written ballots are scheduled to be mailed or otherwise distributed, at least 10 percent of the owners petition the board of directors requesting secrecy procedures, 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.

The notice required under this subsection shall state:

(A) The general subject matter of the vote by written ballot;
(B) The right of owners to request secrecy procedures specified in paragraph (b) of this subsection;
(C) The date after which ballots may be distributed;
(D) The date and time by which any petition must be received by the board requesting secrecy procedures; and
(E) The address where any petition must be delivered.

Section 3.6 Special Meetings.

a. It shall be the responsibility of the chairperson to call a special meeting of the owners as directed by the chairperson, or a resolution made by a majority of the board of directors or upon a petition signed by 40 percent or more of the owners having been presented to the secretary of the said Association. All meetings called because of petition of unit owners shall be held at a formal gathering and not by ballot, and shall be held within sixty (60) days after receipt of the petition. The notice of any special meeting shall state the time and place of such meeting and the purpose of the said meeting. No business shall be transacted at a special meeting except as stated in the notice unless there is consent of all the unit owners of the units or as otherwise set forth in these said Bylaws.

Section 3.7 Notice of Meetings.
a. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the chairman, or the secretary, or the officer or persons calling the meeting, to each unit owner of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the unit owner at his address as it appears on the books of the Association, with postage thereon prepaid.

Section 3.8 Adjourned Meetings.

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

ARTICLE 4 - BOARD OF DIRECTORS

Section 4.1 Number and Qualification.

a. The business and affairs of the Association shall be governed by a board of directors which is composed of three (3) persons, each of whom must be a unit owner or the co-owner of a unit.

Section 4.2 Powers and Duties of Board of Directors.

a. In addition to the powers and duties as set forth in ORS 100.405(4), the board of directors shall have the powers and duties necessary for the administration of the business and affairs of the Association and may do all such acts and things as are not by law or by these said Bylaws directed to be exercised and done by the unit owners, including but not limited to the following acts:

1). Care, upkeep, replacement, and supervision of the condominium, Association property and the general common elements and the limited common elements, if any, and assigning, supervising assignments, or approving any assignment of the use of any common element, general or limited, as may be required by the Declaration.

2). Establishing and maintaining replacement reserve accounts and other reserves that are required to be maintained by the Oregon Condominium Act or these said Bylaws and
such other reserve accounts as are permitted by these said Bylaws. Reviewing and updating the reserve study in accordance with ORS 100.175.

3). Designation and collection of monthly assessments from the owners, as set forth herein in these said Bylaws, the Declaration, and the Oregon Condominium Act.

4). Establishing a budget pursuant to ORS 100.412 for the payment of all common expenses of the Association, and creation of and maintenance of a system for such payment as may be reasonably necessary to prevent any misuse of Association funds in accordance with ORS 100.520.

5). Obtaining and maintaining insurance policies and payment of premiums thereof out of the common expense funds in respect to both the common elements and individual units as set forth in Article 8 herein and in accordance with ORS 100.435.

6). Designation, hiring, 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.

7). Insuring the preparation of and distribution of annual financial statements of the condominium to each of the said unit owners as set forth in Article 12 herein within the time period required as set forth in ORS 100.480.

8). Adoption and amendment of administrative rules and regulations governing the details of operation and use of the common elements; provided, however, that any such rules or regulations shall always be subject to rescission or amendment by the Association upon a majority vote of the unit owners present at any properly called meeting attended by a quorum as set forth herein.

9). Filing of all applicable income tax returns annually. The Board of Directors of the Association shall cause to be filed the necessary income tax returns for the Association annually.

10). Insuring that the Association complies with ORS 100.480 relating to maintenance of documents delivered to the Association by Declarant and maintenance and distribution of financial statements. The board of directors is also responsible to maintain copies suitable for duplication of the following documents: Declaration, Bylaws, Association rules and regulations and any amendments thereto, the most recent annual financial statement, and the current operating budget of the Association.

a. A director of the Association who is present at a meeting of the board of directors at which action on any Association matter is taken shall be presumed to have assented to the action taken unless his dissent to such action with the person acting as the secretary of the meeting before the
adjournment thereof or shall forward such dissent by registered mail to the
secretary of the Association immediately after the adjournment of the
meeting. Such right to dissent shall not apply to a director who voted in
favor of such action.

11). The Association shall keep financial records sufficient for proper accounting
purposes. All assessments shall be deposited in a separate bank account, located within the State
of Oregon, in the name of the Association. All expenses of the Association shall be paid from
the Association bank account.

Section 4.3 Management Agents.

a. In its discretion, the board of directors may employ a management agent, to be
compensated in an amount determined by the board, to perform such duties and services as the
board shall authorize.

Section 4.4 Interim Directors.

a. Until the turnover meeting has occurred as set forth herein, the board's rights, duties
and responsibilities shall be exercised by the Declarant.

Section 4.5 Election and Term of Office.

a. At the turnover meeting of the Association, the term of office of two (2) directors shall
be fixed for a period of two (2) years, and the term of office of one (1) director shall be fixed for
a period of one (1) year. At the expiration of the initial term of office of each respective director,
his/ her successor shall be elected to serve a term of two (2) years. Each director shall hold office
his/her successor has been elected. At the turnover meeting, upon agreement by vote of the unit
owners, the board of directors may be elected by a single ballot with each unit owner authorized
to vote for three (3) nominees. In such event, the two (2) nominees receiving the highest number
of votes shall be the two-year directors and the one (1) nominee receiving the next highest
number of votes shall be the one-year director.

Section 4.6 Vacancies.

a. 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. Each person so elected shall be a director until a successor is elected upon
expiration of the term for which the person was elected by the other directors to serve.

Section 4.7 Removal of Directors.

a. At any legal annual or special meeting, other than a meeting by ballot, any one or
more of the directors may be removed, with or without cause, by a majority vote of the said unit
owners, and a successor may then be elected to fill the vacancy thus created. Any such director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting to state his view as to the matter. Any director who fails to attend three (3) successive meetings of the board of directors which have been properly called, or who has failed to attend more than one-third (1/3) of the board of directors meetings during a 12-month period which have been properly called, may be removed by a majority of the remaining directors.

Section 4.8 Regular Meetings.

   a. A regular meeting of the board of directors shall be held immediately after and at the same place as the annual meeting of unit owners. The board of directors may hold additional regular meetings at such time and place as shall be determined, from time to time, by a majority vote of the directors. Notice of regular meetings of the board of directors may be called by the chairman on three (3) days notice to each director, given personally or by mail, telephone, telegraph, or other similarly reliable method, which notice shall state the time, place (as set forth herein), and purpose of the meeting.

Section 4.9 Special Meetings.

   a. A special meeting of the board of directors may be called by the chairman or on the written request of a majority of the board of directors or on written request of forty (40) percent of the unit owners.

   b. Not less than ten (10) and not more than (50) days before any meeting called under this section, the secretary or other officer of the association specified herein shall cause notice to be hand delivered or mailed to the mailing address of each unit or to the mailing address designated in writing by the owner, and to all mortgagees that have requested such notice. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes or any proposal to remove a director or officer from the association.

Section 4.10 Waiver of Notice to Directors.

   a. Any director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall be a waiver of notice by him or her or her of the time and place thereof. If all the directors are present at any meeting of the board, no notice to directors shall be required and any business may be transacted at such meeting.

Section 4.11 Board of Directors’ Quorum.

   a. 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 binding acts of the board of directors. If at any meeting of the board of directors
there are less than a quorum present, the majority of those present may adjourn the meeting from
time to time until there is a said quorum present. At any such adjourned meeting, any business
that could have been transacted at the meeting as originally called may be transacted without
further notice; provided, however, that a said quorum is present.

Section 4.12 Board of Directors Meetings Open to All Association Members.

a. All meetings of the board of directors shall be open to all members of the Association;
except that in the discretion of the Board, the following matters may be considered in executive
session:
Consultation with legal counsel concerning the rights and duties of the Association
regarding existing or potential litigation, or criminal matters; personnel matters, including salary
negotiations and employee discipline; negotiation of contracts with third parties; and collection
of unpaid assessments.

b. Except in the case of an emergency, the Board shall vote in an opening meeting
whether to meet in executive session. If the Board votes to meet in executive session, the
presiding officer of the Board shall state the general nature of the action to be considered, as
precisely as possible, when and under what circumstances the deliberations can be disclosed to
owners. The statement, motion, or decision to meet in executive session must be included in the
minutes of the meeting. A contract or an action considered in executive session does not become
effective unless the Board, following the executive session, reconvenes in open meeting and
votes on the contract or action, which must be reasonably identified in the open meeting and
included in the minutes of the meeting.

Section 4.13 Notice to Association Members of Board of Directors Meetings.

a. For other than emergency meetings, notice of board of directors meetings shall be posted
at a place on the condominium property at least three (3) days prior to the meeting, or notice
shall otherwise be provided to each member of the Association reasonably calculated to inform
each member of such meetings. The posting of the notices shall be at a reasonable location
which has been generally publicized to the unit owners.

Section 4.14 Telephonic Meetings.

a. In the event of an emergency, telephonic meetings may be held by the board of
directors. Such telephonic meetings shall be carried on by means of a "conference call" in which
each director may speak with any of the other directors. The directors shall keep telephone
numbers on file with the chairman to be used for telephonic meetings. No notice to either
directors or Association members shall be required for a telephonic meeting of the board of
directors to be held for any emergency action; provided, however, that no such telephonic
meeting shall occur unless an attempt has been made to call each director at the telephone
number maintained on file with the board of directors for such purpose.
Section 4.15 Compensation of Directors.

a. By resolution of the board of directors, the directors may be paid their expenses, if any, of attendance at each meeting of the board of directors, and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as director.

Section 4.16 Removal of Directors

a. The unit owner may remove any member of the Board of Directors of the association, other than members appointed by the declarant or persons who are ex officio directors, with or without cause, by a majority vote at any meeting of the owners at which a quorum is present. No removal is effective unless the matter of removal is an item on the agenda and stated in the notice for the meeting required under ORS 100.407.

Section 4.17 Rules of Order

Meetings of the association and the board of directors shall be conducted according to the latest edition of Robert’s Rules of Order published by the Robert’s Rules Association. A decision of the association or 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 rights to be heard was denied. A decision of the association and 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.

ARTICLE 5 - OFFICERS

Section 5.1 Principal Officers.

a. The officers of the Association shall be a chairman, a secretary, and a treasurer, each of whom shall be elected by the board of directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of directors. Any two or more offices may be held by the same person, and any officer may also be a director of the Association.

Section 5.2 Election and Term of Office.

a. The officers of the Association to be elected by the board of directors shall be elected annually by the board of directors at the turnover meeting of the board of directors held after each annual meeting of the unit owners. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

PAGE 12- BYLAWS FOR CRAFTSMAN SQUARE CONDOMINIUMS
Section 5.3 Removal of Officer.

a. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 5.4 Vacancies.

a. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term.

Section 5.4 Chairman.

a. The chairman shall be the principal officer of the Association and, subject to the control of the board of directors, shall in general supervise and control all the business and affairs of the Association. He shall, when present, preside at all meetings of the Board of Directors and the unit owners. The chairman shall perform in general all duties incident to the office of chairman and such other duties as may be prescribed by the board of directors from time to time. The chairman must also be a member of the Board of Directors.

Section 5.5 Secretary.

a. The secretary shall: (a) keep the minutes of the unit owners and of the board of directors meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws; (d) keep a register of the post office address of each unit owner which shall be furnished to the secretary by such unit owner; (e) and (g) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the chairman or by the board of directors.

Section 5.6 Treasurer.

a. The treasurer shall: (a) have charge and custody and be responsible for all funds of the Association, receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositaries as shall be selected in accordance with the provisions of these Bylaws; and (b) in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the chairman or by the board of directors.

ARTICLE 6 - OBLIGATIONS OF THE OWNERS

Section 6.1 Assessments.

PAGE 13- BYLAWS FOR CRAFTSMAN SQUARE CONDOMINIUMS
a. All unit owners are required to pay annual assessments imposed by the Association to meet all the condominium's common expenses, which shall include premiums for insurance required or permitted under Article 8 as set forth herein. In the discretion of the board of directors, the annual assessment may be made payable, semiannually, quarterly, or monthly. The annual assessment shall commence at the time of the first conveyance by Declarant to a unit owner. Prior to such conveyance, Declarant is required to pay all operating expenses of the condominium. All of the reserve accounts created pursuant to these Bylaws shall be funded by allocation and payment from the monthly assessment of unit owners. The assessment of all unit owners who may be benefited by expenditure of reserve funds may be increased as necessary, so the reserve fund in question can be maintained in an amount sufficient to meet the needs for which such fund was established. The Declarant shall pay assessments due for operating expenses on all unsold units from the date of the conveyance of the first unit in the condominium.

1). Except as otherwise provided in the Declaration or these Bylaws, each unit will be liable for the common expense in equal shares.

2). The annual assessment of units shall include the following items, which shall be defined as common expenses:

Expense items:

a). Administrative expenses.
b). Maintenance, repair or replacement of the common elements expenses.
c). Any deficit (shortage) in common expenses for any prior period.
d). Utilities for the common elements and other utilities with a common meter or commonly billed, such as water and sewer.
e). At the discretion of the board of directors, the expense of basic cable television service to all units, together with maintenance and repair expenses for such system and service.
f). Cost of insurance or bonds obtained in accordance with these Bylaws.
g). Professional management cost if authorized by the board of directors.
h). Legal, accounting, and other professional expenses.
i). Any other items properly chargeable as an expense of the Association.

Reserve items:

a). Any reserve account for the purpose of effectuating replacements of structural elements, mechanical equipment, and other common elements of the condominium which will normally require replacement in more than three (3) years and less than thirty (30) years. Payment into this account shall be deemed a contribution to capital improvement (not an expense item) as and when made. Pursuant to provisions of the Oregon Condominium Act, Declarant has established a reserve account for replacement of such common elements such as this. The
reserve accounts for replacement shall be funded by assessment against the same units that are assessed for the maintenance of the items for which the reserve account is established. Accordingly, the reserve account for replacement of those general common elements and limited common elements, the maintenance of which is provided by assessment against all owners, is created by assessment against all owners. The reserve account for replacement of those limited common elements, the maintenance of which is provided by assessment of less than all units shall be created by assessment only against the specific units responsible for the maintenance of such limited common elements.

The board of directors is required to prepare a schedule of the common elements having a remaining useful life of more than three (3) and less than thirty (30) years, together with the current replacement cost of such common elements. The amount of the periodic payments to the reserve account shall be adjusted at regular intervals to recognize changes in remaining useful lives and replacement costs over time. Except as set forth in the Oregon Condominium Act, the reserve account shall be used only for replacement of common elements and shall be kept separate from accounts for maintenance.

b. Other special reserve funds as may be set up by the board of directors via special assessments of the unit owners who benefit thereby as may be required by the declaration or otherwise determined by the Association of unit owners to be appropriate, including a reserve fund for any lease payments.

c. Each said reserve account shall be kept in an account in the name of the Association with a safe, responsible, and reputable bank or savings and loan association located in the State of Oregon and shall be accounted for separately. Assessments paid into the reserve accounts are the property of the Association and are not refundable to sellers of units; provided, however, that nothing herein shall prevent sellers of units from treating their outstanding allocable share of reserve accounts as a separate or reimbursable item in a sales agreement (i.e. a pro-rate to be handled between the seller and the purchaser of a specific unit). No unit owner shall have any individual rights in any of these reserves, although it is understood that the value of their respective units may increase in proportion to each unit's right to receive repair, maintenance, and replacement therefrom.

Payment of Amounts Due

At a minimum of once per month, all bills that have amounts owing shall be submitted to the Board of Directors for approval for payment, with the Board of Directors designating the specific person(s) who shall pay all amounts that are owing.

Section 6.2 Initial Assessment.

a. The amount of the initial assessment to unit owners other than Declarant shall be determined by Declarant. Thereafter, the assessment shall be subject to review by the board of directors. Except as set forth herein, the assessment for all units shall be payable from the date
the Declaration is recorded.

Section 6.3 Special Assessments.

a. The board of directors shall have the authority to assess special assessments against an owner or all owners in the following manner for the following purposes:

1). To pay for a deficit in the operating budget by vote of a majority of the board;

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

3). To make repairs or renovations to the common elements if sufficient refunds are not available from the operating budget or replacement reserve accounts (by a vote of the majority of the board of directors);

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

Section 6.4 Declarant's Obligation for Assessments.

a. From the date the Declaration and plat is recorded, Declarant shall be required to:

1). Pay assessments due for operating expenses on all unsold units.

2). Pay assessments due for reserves on all unsold units, or, at Declarant's option, pay or require the unit owner to pay all accrued reserve assessments against the unit at the time of the initial sale to the unit owner.

Section 6.5 Budget, Income Tax Returns, Determination of Fiscal Year.

a. The fiscal year of the association shall be a calendar year unless otherwise determined by the board of directors.

b. The board of directors is responsible for insuring that all required income tax returns to be filed by the Association are promptly filed.

c. Not less than sixty (60) days before the beginning of each fiscal year, the board of directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair, and replacement of the common elements and those parts of the units as to which it is the responsibility of the Association to maintain, repair, and replace, and the cost of wages, materials, insurance premiums, services, supplies, and other expenses that may be declared to be
common expenses by the Oregon Condominium Act, the condominium Bylaws and Declaration, or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance, and repair of the condominium and the rendering to the unit owners of all related services.

1. This said budget shall also include such reasonable amounts as the board of directors considers necessary to provide working capital and such general operating reserve accounts, contingency, and other reserve accounts as the board shall determine. The amounts designated for replacement reserves shall be adjusted annually to reflect current replacement cost and remaining useful life of the said items. Not less than thirty (30) days before the beginning of each fiscal year, the board of directors shall forward to each unit owner a copy of the budget in a reasonably itemized and readable form that sets forth the amount of the common expenses and any special assessment payable by each unit owner. This said budget shall constitute the basis for determining each unit owner's assessment for the common expenses of the condominium.

d. The failure of the board of directors to timely prepare and/or to present a budget to the unit owners shall not be cause or a valid reason for any owner to fail or refuse to pay assessments. In such case, the assessments shall continue, based on the last adopted or accepted budget, until a new budget is created and announced. The board of directors shall have the authority to make retroactive increases in assessments to make up for any deficiency.

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

Section 6.6 Default by a unit owner.

a. Failure by a unit owner to pay any assessment of the Association shall be a default by such owner of his or her obligations pursuant to these Bylaws and the Oregon Condominium Act. Notwithstanding the other remedies of the Association provided in the Declaration, this said default by the unit owner shall entitle the Association to declare the balance of such owner's annual assessment otherwise being paid in installments to be immediately due and payable in full. Interest shall be charged on delinquent assessments at a rate as may be set by the board of directors, not to exceed the highest rate permitted by applicable law. Prior to the change in any interest rate charged on delinquent assessments, the board of directors shall give thirty (30) days written notice to all owners.

1. The Association shall provide, within 10 business days of receipt of a written request from an owner, a written statement that provides the amount of assessments due from the
owner and unpaid at the time the request was received, including regular and special assessments; fines and other charges; accrued interest; and late payment charges. This written statement shall also include the percentage rate at which interest accrues on assessments that are not paid when due and the percentage rate used to calculate the charges for late payment or the amount of a fixed charge for late payment.

(a) The Association shall not be required to comply with Section 6.6 (1)(a) requiring a written statement within 10 days if the association has commenced litigation by filing a complaint against the owner for unpaid amounts due and the litigation is pending when the statement would be otherwise due.

2). The Association shall also be entitled to a lien that may be enforced on compliance with the provisions of ORS 100.450. In any foreclosure suit by the Association with respect to the lien, the Association shall be entitled to collect reasonable rent from the defaulting owner for the use of his or her unit or shall be entitled to the appointment of a receiver pursuant to ORS 100.460. Liability for all assessments, charges, interest, fees (including attorney fees and other cost advancements), and other sums owing by the unit owner pursuant to the declaration, these bylaws, the Oregon Condominium Act, and rules and regulations of the Association shall be the personal obligation of the unit owner and may be enforced by suit for a money judgment, in addition to all other remedies of the Association.

Section 6.7 Maintenance and Repair.

a. Every unit owner is required to promptly all maintenance and repair work within his or her own unit, which if not repaired would affect the common elements of the condominium or a part thereof belonging to other owners. Each unit owner shall be responsible for the damages and liabilities that his or her failure to do so may cause.

b. The unit owner at his sole expense shall be responsible for all repairs of internal and external installations of each unit, such as water, lights, gas, power, sewage, telephones, air conditioners and sanitary installations, doors, windows, lamps, and all other accessories belonging to the unit area.

c. Each unit owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common elements and/or facility damaged through his or her fault, not otherwise covered by insurance policies carried by the owner or the Association for the owner’s and Association’s benefit. In such circumstances, the insurance obtained by the owners shall be deemed the primary coverage and the insurance obtained by the Association shall be deemed the secondary coverage.

Section 6.8 Right of Entry: Encroachments and Easements for Maintenance.

a. In case of an emergency originating in or threatening a unit, the owner shall grant the right of entry to the management agent or to any other person authorized by the board of directors or the Association, whether or not the owner is present at the time.
b. An easement is reserved to the Association in and through any unit and the common elements providing access at reasonable times and with reasonable notice for purposes of maintenance, repair, and replacement of the common elements. If in the process of such repair and maintenance by the Association, it is necessary to alter or damage any unit or common elements, such alterations or damages will be permitted without compensation, provided the unit and/or common elements are promptly restored to substantially their prior condition by the Association.

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

ARTICLE 7 - USE AND OCCUPANCY RESTRICTIONS AND RULES
OF CONDUCT

Failure by an owner (his or her family, invitees, or lessees) to comply with the rules of conduct and restrictions set forth here or others adopted by the board of directors shall be cause for the board of directors to deny or restrict the owner's right to use any common element facility with respect to which the owner otherwise had a right of use.

Section 7.1 Use as Private Residence Only.

a. Each of the units shall be occupied as a single-family private residence by its owner or tenants, visitors, and guests, and for no other purpose whatsoever. A unit owner may use his or her unit as a "home office," provided clients, customers, and employees do not regularly visit the "home office." All common elements shall be used in a manner conducive to such purpose. No unit owner shall be permitted to lease his or her unit for a period of less than thirty (30) days. No unit owner may lease less than the entire unit. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the declaration and the bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.

Section 7.2 Restriction on Alteration to Unit.

a. No unit owner shall make structural modifications or alterations in his or her unit or installations located therein without previously notifying the Association in writing by certified mail to the management agent, if any, or to the chairman of the board of directors, if no management agent is employed. The Association shall have the obligation to answer within thirty (30) days, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration; provided, however, that nothing herein
contained shall waive or limit an owner's obligation to comply with the provisions of ORS 100.535.

Section 7.3 Use of the Common Elements.

a. No owner shall place or cause to be placed in the patios, decks, vestibules, and other common elements of the condominium of a similar nature any furniture, packages, or objects of any kind; provided, however, that suitable "lawn and deck" furniture may be placed on the decks and patios without the prior written consent of the board of directors. Such areas shall be used for no purpose other than what is normal.

Section 7.4 Pets.

a. No owner may keep a pet or raise animals in his or her unit without the prior written consent of the board of directors. Any unit owner given such authorization and who maintains any pet upon any portion of the condominium shall be deemed to have indemnified and agreed to hold the Association, each of its members, and Declarant free and harmless from any loss, claim, or liability of any kind or character whatever arising by reason of keeping or maintaining the pet within the condominium. All pets shall be registered with the board of directors and shall otherwise be registered and inoculated as required by law. The owner shall further abide by the municipal sanitary regulations, leash laws, and rules or regulations of the Association created by the board of directors. The board of directors shall have the power to require any person whose pet is a nuisance to remove the pet from the premises.

Section 7.5 Appearance of Condominium Building.

a. No unit owner will cause anything to be hung, displayed, or placed on the walls, doors, windows, walkways, ceilings of walkways, or roof of the condominium building or any other common element nor otherwise change the appearance of any portion of the common elements without the prior written consent of the board of directors. Each unit owner shall provide draperies, miniblinds, or other window coverings at all windows, which shall be lined with white materials sufficiently opaque so as not to disclose the color of the interior portion of the window coverings. No clothes lines or similar devices will be allowed on any part of the condominium property without the prior written consent of the board of directors.

Section 7.6 Nuisances.

a. No nuisances shall be allowed on the condominium property nor any use or practice that is the source of annoyance to residents or that interferes with the peaceful possession, enjoyment, and proper use of the property by its residents. Residents shall exercise extreme care and caution about creating disturbances, making noises, or using musical instruments, radios, televisions, and amplifiers that may disturb other residents. All parts of the condominium shall always be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage allowed to accumulate, nor any fire hazard allowed to exist. All such garbage and trash shall be placed

PAGE 20- BYLAWS FOR CRAFTSMAN SQUARE CONDOMINIUMS
inside disposal containers. No unit owner shall permit any use of his or her unit or make any use of the common elements that will increase the cost of insurance on the condominium property.

1). No unit owner shall hang garments, rugs, and similar items from the windows or from any of the facades, decks, or terraces of the condominium, nor shall any unit owner hang or shake dust rags, mops, and similar items from the windows or porches or terraces, or clean such items by beating on an exterior part of the condominium.

Section 7.7 Improper, Offensive, or Unlawful Use.

a. No improper, offensive, or unlawful use shall be made of the condominium property nor any part of it. At all material times herein, each unit owner is responsible for obeying and adhering to all valid laws, zoning ordinances, and regulations of governmental bodies having jurisdiction. The responsibility of meeting the requirements of governmental bodies for maintenance, modification, or repair of the condominium property will be carried out and paid for in the same manner as the responsibility for the maintenance and repair of the property concerned.

Section 7.8 Restriction on Exterior Installations.

a. No unit owner, resident, or lessee shall install wiring for electrical or telephone installation, exterior antennae, machines or air conditioning units, or similar devices on the exterior of the condominium building or cause them to protrude through the walls or the roof of the condominium except as authorized by the board of directors. No window guards, awnings, or shades shall be installed without the prior consent of the board of directors.

Section 7.9 Parking.

a. The parking spaces designated as limited elements in the declaration are intended for use of automobiles of only owners and guests. The directors may make such rules as may be necessary to govern the use of any general or any limited common element parking areas by which all owners and other users shall be bound; provided, however, that no such rule shall prohibit, restrict, or change a parking assignment without the written consent of the owner of the unit to which such assignment or right pertains.

Section 7.10 Vehicle Restrictions.

a. Vehicular traffic on the parking areas and driveways on condominium property shall be limited to five (5) miles per hour as a safety precaution. This speed limit shall apply to bicycles, motor scooters, motorcycles, automobiles, and trucks. No recreational vehicles, campers, trailers, boats, boat trailers, vehicles in disrepair, or similar items may be parked or kept on condominium property without the prior written consent of the board of directors.

Section 7.11 Use of Common Elements.

PAGE 21- BYLAWS FOR CRAFTSMAN SQUARE CONDOMINIUMS
a. All general common elements, including any common garden and common patio or storage areas, are provided for the use of the owners and their guests. Rules and regulations associated with that usage shall be posted, setting out the conditions attendant thereto, and it is essential that all unit owners comply with the said rules and regulations.

Section 7.12 Subleasing Units.

a. Subject to approval by the board of directors, a unit owner may rent or lease his or her entire unit for a period of not less than thirty (30) days, provided the occupancy is only by the lessee, his or her visitors, and guests. No rooms may be rented and no transient tenants may be accommodated. Prior to entering into any such agreement, a unit owner shall notify the board of directors of his or her intent, the name and address of the proposed tenant, and the circumstances of the proposed arrangement. If the board of directors finds that such proposed tenancy will not be detrimental to the Association, the well-being of the condominium, and the enjoyment by other unit owners of their units and the common elements, it shall approve such tenancy; provided, however, that such tenants shall always be under the control of and subject to the Declaration, Bylaws, rules, and regulations of the Association and the board of directors. At any time during the tenancy, in its sole discretion, if the board of directors determines that it is in the best interest of the Association to do so, the board of directors may cause its termination and evict the tenants for cause with or without joining the unit owner of such unit in any such action.

Section 7.14 Additional Rules.

a. Rules and regulations concerning other use of the condominium property may be made and amended from time to time by the Association or the board of directors. Copies of such rules and regulations will be furnished to all unit owners and residents of the condominium on request.

ARTICLE 8 - INSURANCE

The board of directors shall obtain and maintain at all times insurance of the type and kind and in the amounts set forth herein, and including insurance for such other risks of a similar or dissimilar nature as are or shall thereafter customarily be covered with respect to other condominiums similar in construction and design, and which insurance shall be governed by the provisions in this article.

Section 8.1 Types of Insurance Policies.

a. At all material times herein, the board of directors shall obtain and maintain and shall pay for out of the common expense funds, the following insurance to the extent available at reasonable cost:

1). A policy or policies of property insurance including, but not limited to, fire,
extended coverage, vandalism, and malicious mischief, for the maximum insurable value, if available, of all common elements, specifically excluding the building units which shall be the sole responsibility of the unit owner, and such other fire and casualty insurance as the board of directors shall determine, to give substantially equal or greater protection to the owners and their mortgagees, as their respective interests appear, which policy or policies shall provide for a separate loss-payable endorsement in favor of the mortgagee or mortgagees, of each unit, if any. For the purposes of any policy or policies of fire insurance, the term "building" shall be defined as fixtures, installations, or additions comprising a entirety of the building both interior and exterior of the individual condominium units initially installed or replacement thereof, in accordance with the original condominium plans and specifications, or installed by or at the expense of any unit owner or owners.

2). A policy or policies insuring the Association, its board of directors, the unit owners individually, and the manager against any liability to the public or the owners of units and their invitees or tenants, incident to the ownership, supervision, control, or use of the Condominium (with this said policy naming all of the aforesaid persons and/or parties as named insureds). Limits of liability under such insurance shall be not less than $2,000,000 per occurrence for bodily injuries and property damage liability; provided, however, that the said liability limits and coverage shall be reviewed at least annually by the board of directors, which may increase the limit of and/or coverage, in its discretion. The policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsements wherein the rights of the named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured.

3). Workers' compensation insurance to the extent necessary to comply with any applicable laws.

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

The Association shall not be responsible for any loss or damage to personal property of any owner, whether stored on the common elements or in the owner's unit, nor shall the association maintain any insurance coverage for such loss.

Section 8.2 Insurance Companies Authorized.

a. All policies shall be written by a company licensed to conduct business in Oregon. Any said insurance company must hold a State of OR Commissioner's rating of "A".

Section 8.3 Authority to Adjust Losses.
a. All losses under policies hereafter in force regarding the property shall be settled exclusively by the board of directors or its authorized representative; provided, however, that when a first mortgagee has been designated as a loss payee by a unit owner and the first mortgagee has requested the opportunity to exercise the rights provided by this section, the mortgagee shall be entitled to settle losses as to the mortgaged unit, provided that the loss which occurs is severable. Releases and proofs of loss shall be executed by at least two directors.

Section 8.4 Value of Owner Improvements.

a. Each owner must inform the board of directors of the value of improvements made to his or her unit in excess of $1,000 so that the board of directors may make any desired adjustments to the said insurance coverage. Nothing in this paragraph shall permit an owner to make improvements without first obtaining the approval of the board of directors pursuant to Article 7 as set forth herein.

Section 8.5 Provisions in Insurance Policies.

a. The board of directors shall make every effort to secure insurance policies that will provide for the following:

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

2). 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.

3). 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.

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

Section 8.6 Reconstruction Costs.

a. If the Association is required or elects to reconstruct any of the common elements or units that have been damaged or destroyed, all affected unit owners (i.e., owners whose units or limited common elements have been damaged or destroyed) shall contribute to the Association all amounts received by them from property loss insurance policies to the Association to help pay for the repairs. To the extent such insurance proceeds are unavailable or unpaid when needed, the Association shall assess any owner the amount of the Association's "deductible" under its policy to pay the cost of repairing or reconstructing such owner's unit or limited
common elements. The assessment shall be both a personal obligation of the owner and a lien against the owner's unit in the same manner as any other Association assessment.

Section 8.7 Insurance 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 said requirement.

The Association shall have no responsibility to procure, obtain, or assist in procuring property loss insurance for any owner or tenant for: (a) damage to a unit or limited common elements not covered by the Association's policy (because of the deductible amount or because the claim for loss or damage is one not normally covered by fire and property loss insurance policies with extended coverage endorsements) or (b) for any damage or loss to the owner's or tenant's personal property. Each unit owner shall be responsible for purchasing insurance policies insuring his units and appurtenant limited common elements for the deductible amount under the Association's policies and for insuring his own personal property for any loss or damage. Tenants of unit owners shall be responsible for insuring their own personal property for any loss or damage. The board of directors shall notify all owners of the amount of the deductible under the Association policies. To the extent reasonably practicable, the board of directors shall give at least thirty (30) days' notice to the owners of any increase in the deductible proposed in renewal or replacement insurance policies owners and tenants of all units shall procure and maintain comprehensive liability policies having combined limits of not less than $50,000 for each occurrence. Such insurance shall provide coverage for, but not limited to, the negligent acts of the owner and tenant and their guests or other occupants of the unit for damage to the general and limited common elements and other units and the personal property of others located therein.

Section 8.8 Review of Insurance Policies.

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

ARTICLE 9 - DAMAGE AND DESTRUCTION

Section 9.1 Insurance Proceeds Sufficient to Cover Loss.

a. 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 effectuate such reconstruction.

Section 9.2 Insurance Proceeds Insufficient to Cover Loss.
a. If the insurance proceeds are insufficient to reconstruct the damaged or destroyed buildings, the damage to or destruction of the buildings shall be promptly repaired and restored by the manager or the board of directors, using the proceeds of insurance, if any, on the buildings for that purpose and all the unit owners shall be liable for assessment for any deficiency for the reconstruction, with the said deficiency to take into consideration as the owner's contribution any individual policy insurance proceeds provided by such owner; provided, however, that if three-fourths or more in value of all the buildings are destroyed or substantially damaged and if the owners of at least sixty (60) percent of the units so vote, and on the approval of holders of at least fifty-one (51) percent of the mortgages on units in the condominium, the manager, or board of directors shall record with the county recorder a notice setting forth such facts, and on the recording of such notice:

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 that 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 the owners in proportion to their respective undivided interests, 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.

Section 9.3 Architectural Changes After Damage or Destruction.

a. To the fullest practical extent possible, reconstruction of the damaged or destroyed building as used in this article means restoring the buildings to substantially the same condition in which they existed before the fire, casualty, or disaster and shall be performed substantially in accordance with the Declaration and the original plans and specifications unless other action is approved by the holders of at least fifty-one (51) percent of the mortgages on units in the condominium. Such reconstruction shall be accomplished under the direction of the manager or the board of directors. Notwithstanding all other provisions hereof, the owners may, by an affirmative vote of sufficient owners to amend these bylaws, cause an amendment to be made to the condominium documents so as to facilitate architectural changes that the owners affected thereby and the Association deem desirable if, and only if, the partial or total destruction of the condominium, or any buildings thereof, by fire, casualty, or any other disaster is so great as to require the substantial reconstruction of the whole of the condominium, or the buildings, and on
approval by the holders of at least fifty-one (51) percent of the mortgagees in the condominium; provided, however, that any such amendment of such condominium documents shall be valid only on (a) compliance with all applicable provisions of the Oregon Condominium Act; (1) approval by the Oregon Real Estate Commissioner; (c) recording thereof with the Recording Clerk of Yamhill County; and (d) recording with that recording officer of the approval thereof of each mortgagee and each other lienholder of record having a lien against any part of the project or building affected by such amendment.

Section 9.4 Reallocation of Percentage Interest.

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

ARTICLE 10 - CONDEMNATION

The board of directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain and to sue or defend in any litigation involving such bodies or persons with respect to the common elements of the condominium and shall assist any unit owner whose unit or a part thereof is the subject of any condemnation or eminent domain proceeding; provided, however, that nothing in this or any document or agreement relating to the condominium shall be construed to give a unit owner or any party priority over the rights of the first mortgagees of any condominium units in the case of a distribution to the unit owner of any such condemnation awards for losses to or a taking of a unit and/or the common elements. In the event of a taking or acquisition of part or all of the common elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any trustee, for the use and benefit of the unit owners and their mortgage holders as their interest may appear. The board of directors shall distribute the proceeds of any such award or settlement on a reasonable and equitable basis among the unit owners.

ARTICLE 11 - AMENDMENTS TO BYLAWS

These bylaws may be amended by the owners holding a majority of the total voting rights allocated to the units in a duly constituted meeting or ballot meeting called for such purpose, and no amendment shall take effect unless approved by owners holding a majority of the voting rights as otherwise set forth in the declaration and any supplemental condominium declaration. Any amendments adopted hereby shall be reduced to writing, certified by the chairman and secretary of the Association to be the amendment adopted by the Association, and the certified amendment shall be recorded in the Deed and Mortgage Records of Yamhill County, Oregon; provided, however, that no amendment of these bylaws reducing or eliminating the right of any first mortgagee shall be made without the prior written consent of the first mortgagee, and provided further that no amendment of these bylaws may be made without the consent of
Declarant as long as Declarant owns any unit in the condominium, but no such consent shall be required after conveyance to owners other than Declarant of seventy-five (75) percent of the units or three (3) years after the first conveyance of a unit in the condominium, whichever is earlier. ANY AMENDMENTS TO THESE BYLAWS MADE WITHIN FIVE YEARS OF THE RECORDING DATE HEREOF MUST BE APPROVED BY THE OREGON REAL ESTATE COMMISSIONER PRIOR TO RECORDING.

ARTICLE 12 - RECORDS AND AUDITS

Section 12.1 General Records.

a. The board of directors and the management agent or manager shall keep detailed records of the actions of the board of directors, and the management agent or manager, shall keep minutes of the meetings of the Association. The board of directors shall maintain a list of the unit owners entitled to vote at meetings of the Association and a list of all mortgagees of units. Further, the association shall maintain a copy, suitable for the purpose of duplication, the following:

1). The declaration and bylaws, including amendments or supplements in effect, the recorded plat, if feasible, and the association rules and regulations currently in effect;
2). The most recent annual financial statement;
3). The current operating budget of the association;
4). The reserve study; and
5). Architectural standards and guidelines, if any.

b. The following documents, however, kept by or on behalf of the association, may be withheld from examination and duplication to the extent that the records concern the following:

1). Personnel matters relating to a specific identified person or a person's medical records, and any communications with legal counsel related thereto;
2). Contracts, leases and other business transactions that are currently under negotiation to purchase or provide goods or services, and any communications with legal counsel related thereto;
3). Any disclosure of information that would be in violation of law;
4). Documents, correspondence or management or board reports compiled for or on behalf of the association or the board of directors by its agents or committees for consideration by the board of directors in executive session;
5). Documents, correspondence or other matters considered by the board of directors in executive session; and
6). Files of individual owners, other than those of a requesting owner or requesting mortgagee of an individual owner, including any individual
owner's file kepy by or on behalf of the associaiton.

c. The general records, specification records, and all other records not withheld by the association under section 12.1 (b) previously, shall be reasonable available for examination upon written request of a unit owner and any mortgagee of a unit so long as that request is made in good faith for a proper purpose. The association, within 10 business days after receipt of a written request by an owner for records that are not withheld under section 12.1 (b) previously, shall furnish the requested information to the owner along with any fee for the duplication including personnel costs incurred to furnish such information.

Section 12.2 Specification Records.

a. The board of directors and the management agent or manager shall keep the following records, if received, as permanent records:

1). The as-built architectural, structural, engineering, mechanical, electrical and plumbing plans;
2). The original specifications indicating thereon all material changes;
3). The plans for underground site service, site grading, drainage and landscaping together with cable television drawings; and
4). Any other plans and information relevant to future repair or maintenance of the property.

Section 12.3 Records of Receipts and Expenditures.

a. The board of directors or its designee shall keep detailed and accurate records in chronological order of the receipts and expenditures affecting the common elements, itemizing the maintenance expenses of the common elements and any other expenses incurred. The records and the vouchers authorizing said payments shall be available for examination by the unit owners and mortgagees at reasonable times on weekdays.

Section 12.4 Assessment Roll.

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

Section 12.5 Proxies and Ballots.

a. The board of directors or its designee shall keep proxies and ballots for a period of one year from the date of the determination of the vote.

Section 12.6 Availability of Records, Fees
a. The board of directors, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of association records and the imposition of a reasonable fee for furnishing copies of any documents, information or records. The fee may include reasonable personnel costs incurred to furnish the information.

Section 12.7 Payment of Common Expenses.

a. The board of directors shall authorize the treasurer, the management agent, or another specified party to pay all legitimate expenses of the Association. These said payments shall be made pursuant to the payment system adopted by the board of directors as described herein.

Section 12.8 Reports and Audits.

a. The board of directors shall prepare or cause to be prepared an annual report of the receipts and expenditures of the Association and a balance sheet and an income and expense statement setting forth the financial condition of the Association as of the end of each fiscal year. The report shall be prepared according to generally accepted accounting principals and procedures and shall be distributed to all unit owners and to all mortgagees of units within ninety (90) days after the end of each fiscal year. At any time any owner or mortgagee may, at his own expense, cause an audit or inspection to be made of the books and records of the Association.

Section 12.9 Notice of Sale, Mortgage, Rental, or Lease.

a. Immediately upon the sale, mortgage, rental, or lease of any unit, the unit owner shall promptly inform the secretary or manager of the name and address of such vendee, mortgagee, lessee, or tenant.

Section 12.10 Annual Report.

a. The board of directors shall insure that an annual report, including any amendments, is filed with the Oregon Real Estate Agency pursuant to ORS 100.250.

ARTICLE 13 - COMPLIANCE

It is the intent that these said Bylaws comply with the provisions of the Oregon Condominium Act, with those provisions of the said Act incorporated herein, and it is also the intent that these said Bylaws supplement the provisions set forth in the Declaration. If there is any conflict between the provisions set forth in these said Bylaws and the Declaration, the provisions in the said Declaration shall apply.

ARTICLE 14 - INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS
To the fullest extent possible, the Association shall indemnify and hold harmless any director, officer, employee, or agent who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding (other than any proceeding instituted by the Association) by reason of the fact that he or she is or was a director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney fees and costs which have been incurred), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such suit, action, or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association. The termination of any action, suit, or proceeding by judgment, order, or settlement shall not of itself create a presumption that a person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe his or her conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit, or proceeding as and when incurred, subject only to the right of the Association, should it be proven at a later time that the person had no right to such payments.

ARTICLE 15 - ASSESSMENTS, ETC.

a. In case suit or action is filed to enforce any term or condition of these Bylaws and the associated Declaration and the associated rules and regulations of the Association and to collect unpaid amounts due by the said unit owner (s), the said unit owner (s) is liable for the payment of the reasonable attorney fees and costs incurred. In case the Association is required to retain the services of an attorney to enforce any term or condition of these said Bylaws and the associated Declaration and the associated rules and regulations of the Association and to collect any amounts due by the unit owner (s), the said unit owner (s) is liable for the payment of attorney fees and costs incurred by the Association, even though no action is instituted.

ARTICLE 16 - DISPUTE RESOLUTION

a. Subject to paragraph (f) of this subsection, 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 any administrative proceeding shall offer to use any disputed resolution program available within the county in which the condominium is located that is in substantial compliance with the standards and guidelines adopted under ORS 36.175. The written offer must be hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the association, for the other party.

b. If the party receiving the offer does not accept the offer within 10 days after receipt by written notice hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the association, for the other party, the initiating party may commence the litigation or the administrative proceeding. The notice of acceptance of the offer...
to participate in the program must contain the name, address and telephone number of the body
administering the dispute resolution program.

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

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

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 to 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.

ARTICLE 17 - MISCELLANEOUS PROVISIONS

Section 17.1 Notices.

a. All notices required to be sent to the Association or the board of directors shall be sent
in care of the management agent, or to the principal office of the association or any other address
which the board of directors may designate.

Section 17.2 Waiver.

a. Failure by any party to require performance by another party of any of the provisions
hereof shall in no way affect the waiving party's rights hereunder to enforce the same, nor shall
any waiver of any party of any breach hereof be held to be a waiver of any succeeding breach, or
a waiver of this non-waiver clause.

Section 17.3 Number, Gender, Etc.

a. As used hereunder, the singular shall include the plural and the plural the singular, and
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 said Bylaws.
Section 17.4 Invalidity.

a. If any portion of these said Bylaws are deemed to be invalid, that said determination shall not have any effect upon the validity or enforcement of the remaining terms and conditions of the said Bylaws.

Adoption of Bylaws

The undersigned Declarant hereby adopts the foregoing on behalf of the Association as the Bylaws of the Association as of the date set forth below.

Dated this 2 day of December, 2004.

Marc Willcuts, Member
NWT Development LLC

Mike Willcuts, Member
NWT Development LLC

Matt Willcuts, Member
NWT Development LLC

Mart Storm, Individually

State of Oregon  )
) ss
County of Yamhill  )

Personally appeared the above-named Marc Willcuts, Mike Willcuts, Matt Willcuts, and Mart Storm before me and acknowledged the foregoing instrument to be their voluntary act and deed.

Subscribed and sworn before me this 2 day of December, 2004.

Shannon D. West
Notary Public for Oregon
My commission expires: 10/13/08

PAGE 33 - BYLAWS FOR CRAFTSMAN SQUARE CONDOMINIUMS
# CRAFTSMAN SQUARE CONDOMINIUMS

**NW 1/4 Section 19, T. 3 S., R. 2 W., WM., Tracts 23 & 24, HURLEY'S FRUITLAND SUBDIVISION, John Hess Donation Land Claim No. 39, City of Newberg, Yamhill Co., OR**

Planning File No. DR-178-03

Date: 15 Oct. 2004

---

### LCE Line Table

<table>
<thead>
<tr>
<th>LCE</th>
<th>N00°03'36&quot;W</th>
<th>15.54</th>
</tr>
</thead>
<tbody>
<tr>
<td>L10</td>
<td>N00°03'36&quot;W</td>
<td>15.57</td>
</tr>
<tr>
<td>L9</td>
<td>N00°03'36&quot;W</td>
<td>15.54</td>
</tr>
<tr>
<td>L8</td>
<td>N00°03'36&quot;W</td>
<td>15.57</td>
</tr>
<tr>
<td>L7</td>
<td>N00°03'36&quot;W</td>
<td>15.54</td>
</tr>
<tr>
<td>L6</td>
<td>N00°03'36&quot;W</td>
<td>15.57</td>
</tr>
<tr>
<td>L5</td>
<td>N00°03'36&quot;W</td>
<td>15.54</td>
</tr>
<tr>
<td>L4</td>
<td>N00°03'36&quot;W</td>
<td>15.57</td>
</tr>
<tr>
<td>L3</td>
<td>N00°03'36&quot;W</td>
<td>15.54</td>
</tr>
<tr>
<td>L2</td>
<td>N00°03'36&quot;W</td>
<td>15.57</td>
</tr>
<tr>
<td>L1</td>
<td>N00°03'36&quot;W</td>
<td>15.54</td>
</tr>
</tbody>
</table>

---

### Narrative

The purpose of this survey is to prepare a plat of CRAFTSMAN SQUARE CONDOMINIUMS. This survey is based on monuments set and found in CS-11412. The basis of bearing is along 1st Street per CS-11412. The dimensions of the boundary of CRAFTSMAN SQUARE CONDOMINIUMS is as shown by CS-11412.

---

### SURVEYOR'S CERTIFICATE

I, Matt Dunkel, do hereby certify that I have correctly surveyed and marked with proper monuments the lot herein shown as CRAFTSMAN SQUARE CONDOMINIUMS, being Tract 23 and a portion of Tract 24 of HURLEY'S FRUITLAND SUBDIVISION, the boundaries of which is described on file.

Beginning at the southwest corner of said Tract 23, thence South 90°12'00" East 120.72 feet along the south line of Tracts 23 & 24 to an iron rod, thence North 00°00'00" East 14.83 feet to an iron rod, thence South 89°10'00" East 55.72 feet to an iron rod on the east line of said Tract 24, thence North 00°35'55" East 30.16 feet along the east line of said Tract 24 to the southeast corner of Tract 24; thence North 89°00'55" West 2.06 feet to the southwest corner of said RT 94-13, thence North 00°35'55" East 124.00 feet to the northeast corner of said RT 94-13, thence South 89°30'00" West 3.00 feet along the north line of RT 94-13 to the east line of Tract 24; thence North 00°35'55" East 50.54 feet to the northeast corner of said Tract 24, thence South 88°38'38" West 107.51 feet along the north line of Tracts 24 & 23 to the northeast corner of Tract 23, thence South 00°35'55" West 444.14 feet to the point of beginning.

Containing 1.50 Acres more or less.

Matt Dunkel
3785 Riverwood Drive
Newberg, Oregon 97132
Phone: 503-477-7904
Fax: 503-472-0867
Email: dunkelb@msn.com

This is an exact copy of the original plat of CRAFTSMAN SQUARE CONDOMINIUMS.
CRAFTSMAN SQUARE CONDOMINIUMS

NW 1/4 Section 19, T. 3 S. R., 2 W., WM.
Tracts 23 & 24, HURLEY'S FRUITLAND SUBDIVISION,
John Hess Donation Land Claim No. 39, City of Newberg, Yamhill Co., OR

Planning File No. DR-173-03
Date: 15 Oct. 2004

City of Newberg Approvals

Yamhill County Approvals

Pursuant to ORS 92.055
Fees have been paid or bond posted for this
Date: 6-30-2005

DECLARATION

KNOW ALL MEN BY THESE PRESENTS that WM Development, LLC and
MART STORM, are the owners the lands represented on the attached maps
and more particularly described in the Surveys attached, and do hereby
commit said lands to the operation of the Condominium Laws as laid out
in Chapter 106 of the Oregon Revised Statutes, and the Declaration of
Condominium Ownership for CRAFTSMAN SQUARE CONDOMINIUMS as recorded
in Instrument 
And The Easements of CRAFTSMAN SQUARE
CONDOMINIUMS recorded in Instrument 
All lands
and improvements depicted on the plat are subject to the provisions of
ORS 100.005 to 100.625.

All signatures are hereby granted as shown and noted on this plat.

Acknowledgement

STATE OF OREGON )
COUNTY OF YAMHILL )
On this 21st day of Dec. 2004, did personally appear
MARC WILCOX in the capacity shown in the above Declaration, who being
duly sworn, did say that he is the identical person named in the foregoing
instrument and that he executed said instrument freely and voluntarily.

MARC WILCOX, Mayor
WM Development, LLC

Acknowledgement

STATE OF OREGON )
COUNTY OF YAMHILL )
On this 21st day of Dec. 2004, did personally appear
MART STORM in the capacity shown in the above Declaration, who being
duly sworn, did say that he is the identical person named in the foregoing
instrument and that he executed said instrument freely and voluntarily.

MART STORM