DECLARATION OF CONDOMINIUM UNIT
OWNERSHIP FOR
McMINNVILLE AIRCRAFT STORAGE CONDOMINIUM
and BYLAWS for
McMINNVILLE AIRCRAFT STORAGE CONDOMINIUM
OWNERS ASSOCIATION

AFTER RECORDING, PLEASE RETURN TO:

DRABKE AND TANKERSLEY
P.O. Box 625
McMINNVILLE, OR 97128

DECLARATION OF CONDOMINIUM UNIT OWNERSHIP

for

McMINNVILLE AIRCRAFT STORAGE CONDOMINIUM

Recorded in Official Yamhill County Records
CHARLES STERN, COUNTY CLERK

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DECLARATION OF CONDOMINIUM UNIT OWNERSHIP
for
McMINNVILLE AIRCRAFT STORAGE CONDOMINIUM

Pursuant to the provisions of ORS 100.005 to 100.990 (Oregon Condominium Act) and for
the purpose of submitting the real property described as the land under the Master Lease and any
improvements structures, easements, rights of way and appurtenances to the provisions of such law,
the undersigned Declarant, Michael Sheets Construction, Inc., being the sole owner of the lessee’s
rights under the Master Lease and the buildings subject to the Master Lease described below, makes
the following Declarations. It is agreed that this Declaration and the Master Lease is binding upon
the entire McMinnville Aircraft Storage Condominium, and upon each Unit and upon its owners or
possessors, and their heirs, personal representatives, successors and assigns.

ARTICLE 1
INTERPRETATION

1.1 Definitions:

1.1.1 “Act” shall mean the Oregon Condominium Act.

1.1.2 “Association” shall mean the Association of Unit Owners known as the McMinnville
Aircraft Storage Condominium Owners Association, Inc.

1.1.3 “Board” shall mean the board of directors of the Association.

1.1.4 “Declarant” shall mean the undersigned.

1.1.5 “Declaration” shall mean this Declaration of Unit Ownership, including all cove-
nants, conditions, restrictions and reservations contained in these instruments, and
the Bylaws of the Association recorded simultaneously with this Declaration.

1.1.6 “Majority” or “Majority of Unit Owners” shall mean those owners holding more than
50 percent of the voting rights allocated to the units by this Declaration. Each Unit
shall have one (1) vote regardless of the size of the Unit.

1.1.7 “Master Lease” shall mean the lease dated May 9, 2000, recorded May 16, 2000,
entered into between Declarant and the City of McMinnville, which lease describes
the property which is subject to this Declaration.

1.1.8 “Mortgage” and/or “Mortgages” shall include a deed of trust or other instrument
creating a security interest.

1.1.9 “Mortgage Foreclosure” shall include a deed of trust sale and deed given in lieu of
foreclosure or sale.
1.1.10 “Person” and/or “Persons” shall include all natural persons, partnerships, corporations, associations, legally recognized entities and personal representatives.

1.1.11 “Unit” and/or “Units” shall mean a part of the property, (not including the common elements), including a structure described in 3.1 intended for independent use and with a direct exit to an area leading to a public street or highway and having access to the general facilities of the McMinnville Municipal Airport. The totality of the Units, together with the common elements and the leasehold interest, shall be known as “McMinnville Aircraft Storage Condominium”.

1.2 Liberal Construction:

The provisions of this Déclaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium development under Oregon law. It is intended and covenanted that the provisions of the Act referred to in this Declaration shall be liberally construed to effectuate the intent of this Declaration insofar as reasonably possible.

1.3 Consistent with Act:

The terms used herein are intended to have the same meaning given in the Act unless the context clearly requires otherwise or to so define the terms would produce an illegal or improper result.

1.4 Covenant Running with Land:

It is intended that this Declaration shall be operative as a set of covenants running with the leasehold interests of the land, or equitable servitudes, supplementing and interpreting the Act, and operating independently of the Act should the Act be, in any respect, inapplicable.

1.5 Unit and Building Boundary:

In interpreting the Plat and Plans, the existing physical boundaries, consisting of the walls, floors, and ceilings, of each Unit as constructed shall be conclusively presumed to be its boundaries. The boundaries of each Unit shall include all lathe, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces, up to, but not including, the plastic coated insulation on the underside of the roof, which follows the pitch of the roof. The boundaries of the Unit shall not include those portions of the walls, floors or ceilings which that materially contribute to the structural capacity of the condominium. All other portions of the walls, floors or ceilings shall be part of the common elements.

In interpreting deeds mortgages and other instruments for any purpose whatsoever in connection with a Unit, the existing physical boundaries of a Unit constructed in substantial accordance with the plat shall be conclusively presumed to be the boundaries regardless of settling, rising, or lateral movement of the building in which the Unit is located.

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ARTICLE 2
DESCRIPTION OF LAND

2.1 Description of Land:

The land subject to the leasehold interests and upon which the building and improvements provided for in this Declaration are located consists of one parcel which is described in Exhibit "A" attached hereto.

ARTICLE 3
DESCRIPTION OF BUILDINGS AND IMPROVEMENTS

3.1 Building:

There is one building erected upon the property which shall be a hangar for the storage of aircraft consisting of walls, roof and doors and the share of Common Elements described in 7.1.2. Exterior Construction is painted galvanized steel with rigid steel frames. Interior walls are finished with sheetrock. Each Unit has a sliding door for individual and aircraft access. The building consists of one story and has no basement, as shown in the attached Plat/Plans, recorded with this Declaration.

ARTICLE 4
DESCRIPTION OF UNITS, LOCATION AND AREA

4.1 Designation, Location and Area:

There are 9 Units. The designation, location and area in square feet, of each Unit are shown below and on the plat.

<table>
<thead>
<tr>
<th>UNIT TYPE</th>
<th>UNIT NUMBER</th>
<th>TOTAL # OF UNITS</th>
<th>SQ. FT. UNIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>1</td>
<td>1</td>
<td>1885</td>
</tr>
<tr>
<td>C</td>
<td>2</td>
<td>1</td>
<td>1250</td>
</tr>
<tr>
<td>B</td>
<td>3</td>
<td>1</td>
<td>1077</td>
</tr>
<tr>
<td>A</td>
<td>4</td>
<td>1</td>
<td>924</td>
</tr>
<tr>
<td>A</td>
<td>5</td>
<td>1</td>
<td>925</td>
</tr>
<tr>
<td>A</td>
<td>6</td>
<td>1</td>
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</tr>
<tr>
<td>A</td>
<td>7</td>
<td>1</td>
<td>924</td>
</tr>
<tr>
<td>B</td>
<td>8</td>
<td>1</td>
<td>1069</td>
</tr>
<tr>
<td>C</td>
<td>9</td>
<td>1</td>
<td>1244</td>
</tr>
</tbody>
</table>
4.2 Percentage Share in Common Elements:

Each Unit will be entitled to a percentage undivided interest in the common elements as shown below. Each Unit’s interest in the common elements shall be inseparable from the Unit and any conveyance, encumbrance, judicial sale or other transfer, voluntary or involuntary, of an undivided interest in common elements shall be void unless the Unit to which that share is allocated is also transferred.

<table>
<thead>
<tr>
<th>UNIT NO.</th>
<th>PERCENTAGE OF OWNERSHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>18.4</td>
</tr>
<tr>
<td>2</td>
<td>12.2</td>
</tr>
<tr>
<td>3</td>
<td>10.6</td>
</tr>
<tr>
<td>4</td>
<td>9.0</td>
</tr>
<tr>
<td>5</td>
<td>9.1</td>
</tr>
<tr>
<td>6</td>
<td>9.0</td>
</tr>
<tr>
<td>7</td>
<td>9.0</td>
</tr>
<tr>
<td>8</td>
<td>10.5</td>
</tr>
<tr>
<td>9</td>
<td>12.2</td>
</tr>
</tbody>
</table>

All Unit Owners shall own an undivided percentage in the common elements in the proportion that the square footage of their individual Unit bears to the overall square footage of all Units. All Percentages are based on Unit areas taken to the face of walls or, when no interior wall exists, the Unit areas will be taken the face of column.

4.3 Change in Common Elements:

No additional common elements will substantially increase the proportionate amount of the common expenses payable by existing Unit owners.

ARTICLE 6
ACCESS

6.1 Right of Entry:

The Board, Caretaker, or any other person authorized by the Board, shall have the right of entry into a Unit in case of any emergency originating in or threatening the owner’s Unit or other Condominium property (and shall have a master key for such purpose), whether or not the owner is
present at the time. An owner shall also permit such persons to enter the owner’s Unit for the purpose of performing installations, alterations or repairs to any common element and for the purpose of inspection to verify that the owner is complying with the restrictions and requirements described in this Declaration, the Bylaws and any rules or regulations adopted pursuant thereto, provided that requests for entry are made in advance and such entry is at a time convenient to the owner.

6.2 Access to Common Elements:

Each Unit has direct access to or reasonable and necessary use of the common elements described in Article 7.

6.3 Use as Aeronautical Facilities:

The Master Lease provides that the aircraft hangar buildings and leasehold Condominium Units therein are to be used for aeronautical purposes and specifically for the purpose of parking and storing aircraft, non-commercial construction of small aircraft, and for maintenance and other routine activities associated with aircraft ownership. The owners and occupants of Units shall not engage in any other use of the premises without prior written consent of the Landlord. Unit owners may park their automobile within the Unit while using their aircraft.

6.4 Access to Public Streets:

Each Unit has access to a public street on the northwest perimeter of the McMinnville Municipal Airport known as Cirrus Avenue.

ARTICLE 7
DESCRIPTIONS OF COMMON ELEMENTS;
CERTAIN INTERIOR IMPROVEMENTS TO BE OWNER’S RESPONSIBILITY

7.1 Common Elements:

7.1.1 The areas shown on the Plat filed with this Declaration and designated as “Runways” and “Access Drives” are not a part of the Master Lease and the use of such Runways and Access Drives are not strictly limited to use by Unit owners and are under control of the McMinnville Airport authorities.

7.1.2 Common elements consist of the land described in Exhibit A, installations of central services such as power, light, water, pipes, conduits, and wires wherever they may be located, foundations, columns, girders, beams, supports, main walls (exterior walls and those interior walls which separate Units, excluding the finished surfaces inside a Unit), roofs, parking areas, and all other elements necessary or convenient to the existence of the condominium, its maintenance and safety, or normally in common use.
7.1.3 Any further improvements to the interior of the Units, are the responsibility of the Unit owner. However, any improvements must be incidental and/or necessary to the storage of aircraft in the Units in accordance with the provisions of Section 2 of the Master Lease and must not interfere with or damage other units or the common elements.

7.1.4 Except as otherwise specifically provided in this Declaration, the cost of maintenance, repair, and replacement of the common elements shall be a common expense, and the performance of such work shall be the responsibility of the Association, except that any damage caused by the negligence or intentional act of an owner, his or her invitee, guest, or servant shall be repaired by the Association at such owner's sole cost and expense. Although repair, maintenance, and replacement of door and door frames are the responsibility of individual owners, exterior painting shall be the responsibility of the Association. Liability for common expenses and rights to common profits shall be apportioned according to the percentage of ownership interest.

7.1.5 Each owner hereby covenants to pay to the Association assessments for common expenses as more fully provided in the Bylaws. No owner may avoid liability for assessments by abandonment of his or her Unit or nonuse of the common elements. Except as otherwise provided in this Declaration or the Bylaws, each Unit and the owner thereof will be liable for the common expenses in the same percentage as the percentage ownership in the common elements allocated to such Unit.

7.1.6 Although no income is anticipated, any income derived from the common elements shall be income of the Association. In its discretion, the board of directors may use such income to help meet the expense of maintaining the common elements or for such other purpose as may benefit the Association and the Unit owners in a substantially equal manner.

ARTICLE 8
CONTROL OF ASSOCIATION BY DECLARANT

8.1 Turnover Meeting:

Declarant has reserved control over the administration of the Association by reserving the right in the Bylaws to appoint an interim board of directors to manage the condominium until the turnover meeting. The turnover meeting shall be held within 90 days of the earlier of three years from the date of conveyance of the first Unit to a person other than Declarant, or conveyance to persons other than Declarant of 75% of the total number of units. The three members of the interim board shall also serve as the interim Director, Secretary, and Treasurer.
8.2 Unit Owners Assume Duties and Obligations:

Upon the happening of any of the events mentioned in 8.1 above, the Unit owners shall assume the duties and obligations of the Association among themselves in accordance with the Bylaws of the Association. If Declarant is still the owner of a Unit or Units, Declarant’s rights shall be no greater nor lesser than the rights of the other Unit owners.

ARTICLE 9
ASSIGNMENT OF MASTER LEASE TO ASSOCIATION

9.1 Assignment of Master Lease to Association:

9.1.1 Upon obtaining the City of McMinnville’s prior written consent, the Declarant shall assign to the Association all of the Declarant’s rights, title and interest (except such rights as have or will be assigned to Unit owners) in and to the Master Lease. The Unit owners and the Association shall thereafter be solely responsible for complying with the terms and conditions of the Master Lease, including, but not limited to, the payment of the rent required by the Master Lease.

ARTICLE 10
REGULATION OF USES

10.1 Aircraft Storage:

The buildings and each Unit shall be used solely for the storage of aircraft and for the storage of such equipment and apparatus as may be incidental and/or necessary to the storage of aircraft and specifically shall not be used for any temporary or permanent human habitation or general public use other than uses which are directly related to the storage and use of aircraft.

10.2 Vehicle Parking:

Vehicle parking shall be only in accordance with the established and future rules and regulations of the City of McMinnville and such further regulations as may be established by the Board of the Association.

10.3 Maintenance:

Each Unit owner shall, at the Unit owner’s sole expense, have the right and duty to keep the owner’s Unit and its equipment, appliances, and appurtenances in good order, condition and repair so as to maintain the good appearance and condition of the Unit.

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10.4 **Effect on Insurance:**

Nothing shall be done or kept in any Unit which would increase the rate of insurance without the prior written consent of the Board. Insurance rates as used in this section contemplates the usual insurance rates for areas used for the storage of aircraft and uses necessary and incidental thereto.

10.5 **Signs:**

No sign of any kind shall be displayed to the public view without the prior consent of the Board; provided that such consent shall not be unreasonably withheld and must also be in compliance with the Master Lease, Bylaws and applicable rules and regulations.

10.6 **Offensive Activity:**

No noxious or offensive activity shall be carried on in any Unit, nor shall anything be done which may be or become an annoyance or nuisance to the other Unit owners or to the McMinnville Municipal Airport.

**ARTICLE 11**

**COMPLIANCE WITH DECLARATION**

11.1 **Enforcement, Costs and Attorney Fees:**

Each Unit owner shall comply strictly with the provisions of this Declaration, the Bylaws of the Association, and the Articles of Incorporation of the Association and all applicable rules and regulations as may be lawfully amended from time to time. In addition, each Unit owner shall refrain from any activity which would constitute a breach of the Master Lease. Failure to comply shall be grounds for an action to recover sums due for damages, or injunctive relief, or both, maintainable by the Board, acting through its officers on behalf of the Unit owners, or by the aggrieved Unit owner on his or her own. In any proceeding arising because of alleged default by a Unit owner to comply with the terms and provisions of this Declaration (as may be amended), the Bylaws (as may be amended), rules and regulations of the Association, or any provisions of the Oregon Condominium Act, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorney fees as may be determined by the trial court in any trial or by the appellate court in any appeal thereof. In addition, the Association shall be entitled to recover costs and attorney fees incurred by it to collect delinquent assessments and enforce compliance with Unit owner’s other obligations, whether or not any action or suit is filed.

11.2 **No Waiver of Strict Performance:**

The failure of the Board, or aggrieved Unit owner, in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions, or restrictions of this Declaration, or to exercise any right or option contained in such document, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition, or restriction, but such term, covenant, condition, or restriction shall
remain in full force and effect. The receipt by the Board of any assessment from a Unit owner, with knowledge of any breach by that or any Unit owner, shall not be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed a waiver of such breach, and no waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board. This section also shall extend to the Declarant’s exercising the powers of the Board during the initial period of control of the Association.

ARTICLE 12
LIMITATION OF LIABILITY

12.1 Liability for Utility Failures, Etc.:

Except to the extent covered by insurance obtained by the Board, neither the Association nor the Board (nor the Declarant, while in control of the Association) shall be liable for: any failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust or sand which may lead or flow from outside or from any parts of the buildings, or from any of its pipes, drains, conduits, appliances, or equipment, or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance or orders of a governmental authority. No diminution or abatement of common expense assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

12.2 No Personal Liability:

So long as a Board member, or Association committee member, or Association officer, or the Declarant while in control of the Association, has acted in good faith, without willful or intentional misconduct, upon the basis of such information as may be possessed by such person, then no such person shall be personally liable to any Unit owner, or to any other person, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of such person; provided that this section 12.2 shall not apply where the consequences of such act, omission, error, or negligence are covered by insurance obtained by the Board.

12.3 Indemnification of Board Members:

Each Board member or Association committee member, or Association officer, or Declarant or Declarant’s managing agent exercising the powers of the Board, shall be indemnified by the Unit owners against all expenses and liabilities, including attorney fees reasonably incurred by or imposed in connection with any proceeding to which he may be a party, or in which he may become involved by reason of being or having held such position, or any settlement thereof, whether or not he holds such position at the time such expenses or liabilities are incurred, except in such cases wherein such person is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.
12.4 Statutory Restrictions:

Subject to statutory restrictions, the preceding paragraphs are intended to limit liability to the fullest extent provided by law, but any statutory rights which cannot be waived are not affected by this provision.

ARTICLE 13
MORTGAGEE PROVISIONS

13.1 Acceptance Upon First Conveyance:

Declarant shall not consummate the conveyance of title of any Unit until all Mortgagees of record at the time of recording this Declaration shall have accepted the provisions of this Declaration and made appropriate arrangements, in accordance with the Act, for partial release of Units from the lien of said Mortgagee. The issuance and recording of the first such partial release by said mortgagee shall constitute its acceptance of the provisions of this Declaration and the condominium status of the Units remaining subject to its Mortgage as well as its acknowledgment that such appropriate arrangements for partial release of Units have been made; provided that, except as to Units so released, said Mortgage shall remain in full effect as to the entire property.

13.2 Priority of Mortgages:

The lien of the Association shall be subordinate to any first mortgage. Any mortgagee that comes into possession of the Unit pursuant to the remedies provided in the mortgage, by foreclosure of the mortgage, or by deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit that accrue prior to the time such mortgagee comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units, including the mortgaged Unit and further accepts claims accruing after the Mortgagee obtains possession).

13.3 Right to Examine Documents:

The Association shall make available to Unit owners and lenders and to mortgagees current copies of the Declaration, Bylaws, other rules concerning the condominium, and the books, records, and financial statements of the Association. The Association shall have the right to impose a reasonable charge for any copies requested by owners, lenders, and mortgagees.

ARTICLE 14
AMENDMENT OF DECLARATION, PLAT, PLANS

14.1 Declaration Amendment:

Amendments to the Declaration shall be made by an instrument in writing entitled "Amendment to Declaration" which sets forth the entire amendment. Amendments may be adopted
at a meeting of the owners if 75% of the Unit owners vote for such amendment, or without any meeting if all Unit owners have been duly notified and 75% of the Unit owners consent in writing to such amendment. In all events, the amendment when adopted shall bear the signature of the Director of the Association and shall be attested by the Secretary, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association. Amendments, once properly adopted and approved in accordance with the Act, shall be effective upon approval by the Real Estate Commissioner and upon recording in the appropriate governmental offices, or upon any other approvals or recording required by law. Any decision changing the percentage of interest expressed herein, except as provided herein, shall require the unanimous consent of the Unit owners and their mortgagees. It is specifically covenanted and understood that any amendment to this Declaration properly adopted will be completely effective to amend any or all of the covenants, conditions, and restrictions contained herein which may be affected and any or all clauses of this Declaration or Plat and Plans unless otherwise specifically provided in the section being amended or the amendment itself.

14.2  Plat and Plan Amendment:

The Plat and Plans may be amended by revised versions or revised portions thereof referred to and described as to effect in an amendment to the Declaration adopted as provided for herein. Copies of any such proposed amendment to the Plat and Plans shall be made available for the examination of every Unit owner. Such amendment to the Plat and Plans shall also be effective, once properly adopted, upon approval by the county assessor and upon recordation in the Recorder’s Office in conjunction with the Declaration amendment. If the amendment changes the exterior boundaries of the property, the city or county surveyor must approve the amendment prior to recordation.

ARTICLE 15
MISCELLANEOUS

15.1  Restrictions on Alienation:

Each Unit shall be freely alienable, with no restrictions on alienation.

15.2  Voting Rights:

The owner of each Unit is entitled to one vote per Unit, according to provisions of the Bylaws. 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 by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of the unit shall be disregarded completely in determining the proportion of votes given with respect to such matter.
15.3 Service of Process:

The designated agent to receive service of process in cases provided in ORS 100.550(1) is named in the Condominium Filing Report which will be filed with the Real Estate Agency in accordance with ORS 100.250(1). After termination of Declarant’s management authority under Sections 9 and 10 of this Declaration, service of process for the purposes provided in the Act shall be made upon a person designated by the Board.

15.4 Delivery of Notices for All Purposes:

Any notice permitted or required to be delivered under the provisions of this Declaration or the Bylaws may be delivered either personally or by mail. If delivery is made by mail, any such notice shall be deemed to have been delivered 72 hours after a copy has been deposited in the United States Mail, postage prepaid, both regular and certified mail return receipt requested, addressed to the person entitled to such notice at the most recent address given by such person to the Board, in writing, for the purpose of service of such notice, or to the most recent address known to the Board. Notice to the owner of owners or any Unit shall be sufficient if posted on the door of the Unit of such person or persons if no mailing address has been given to the Board by any of the persons so entitled. Notice to one owner shall be sufficient notice to all owners of a Unit absent a written request for individual notices. Mailing addresses may be changed from time to time by notice in writing to the Board. Notice to be given to the Board may be given to Declarant until the Association and Board have been constituted and thereafter shall be given to the Director or Secretary of the Association.

15.5 Easements, Licenses, Etc.:

The owners’ Association shall not have the authority to grant easements, leases, licenses, rights of way, or similar interests affecting the common elements, nor the authority to consent to the vacation of roadways adjacent to and within the condominium, except as specifically provided in the Master Lease with the City of McMinnville.

15.6 Interim Board of Directors:

The Declarant shall appoint an interim board of directors during the period of control of the Association. Pursuant to section 11.2, the Declarant shall exercise the powers of the Board.

15.7 Severability:

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof, if the remainder complies with the Act or as covenants effect the common plan.

15.8 Effective Date:

The Declaration shall take effect upon recording.
15.9 **Reference to Plat and Plans:**

The Plat and Plans of the Building referred to herein were filed with the Recorder of Yamhill County, Oregon, simultaneously with the recording of this Declaration.

15.10 **Governing Law:**

The validity and interpretation of this Declaration shall be determined under the laws of the State of Oregon.

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MICHAEL SHEETS CONSTRUCTION, INC.
LESSEE UNDER THE MASTER LEASE,

By: ______________________
Michael Sheets, President

CITY OF McMINNVILLE, FEE OWNER
AND LESSOR UNDER THE MASTER LEASE

By: ______________________
Edward Gormley, Mayor

STATE OF OREGON

) ss

County of Yamhill

On the 11th day of October, 2000, personally appeared Michael Sheets, who, being first duly sworn, did say that he is the president of Michael Sheets Construction, Inc., a corporation, and that said instrument was signed in behalf of said corporation by authority of its board of directors; and acknowledged said instrument to be its voluntary act and deed.

Before me:

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[Notary Public Seal]

MARY L. Denson
NOTARY PUBLIC FOR OREGON

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STATE OF OREGON

County of Yamhill

On the 11th day of October, 2000, personally appeared Edward Gormley, who, being first duly sworn, did say that he is the Mayor of the City of McMinnville, an Oregon municipal corporation, and that said instrument was signed in behalf of the City of McMinnville by authority of its board of directors; and acknowledged said instrument to be its voluntary act and deed.

Before me:

[Seal]

Julie Anderson
NOTARY PUBLIC FOR OREGON

The foregoing Declaration is approved pursuant to ORS 100.110 this 12th day of October, 2000, and in accordance with ORS 100.110(2), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this day.

Scott W. Taylor
REAL ESTATE COMMISSIONER

By Brian DeMarco

Approved this 16th day of October, 2000
Director of Assessment and Taxation
(County Collector), Yamhill County

By

Approved this 16th day of October, 2000
Director of Assessment and Taxation
(County Assessor), Yamhill County

By

EXHIBIT A

McMinnville Airport - Lease Description

LEASE PARCEL:

A tract of land in Section 26, Township 4 South, Range 4 West, Yamhill County Oregon, being more particularly described as follows:

Beginning at a point that bears North 89° 46' 28" West 184.32 feet from the northwest corner of McMinnville Airport Condominium Hangers; thence North 89° 46' 28" West 60.00 feet, thence South 00° 13' 32" West 235.00 feet, thence South 89° 46' 28" East 60.00 feet, thence North 00° 13' 32" East 235.00 feet to the point of beginning.
BYLAWS
OF
McMINNVILLE AIRCRAFT STORAGE CONDOMINIUM ASSOCIATION, INC.

ARTICLE 1
PLAN OF UNIT OWNERSHIP

Section 1.1. Unit Ownership. The condominium, located in the City of McMinnville, County of Yamhill, State of Oregon, known as McMinnville Aircraft Storage Condominium, is submitted to the provisions of ORS 100.005 et seq., the Oregon Condominium Act.

Section 1.2. Bylaws Applicability. The provisions of these bylaws are applicable to the condominium, the association, the Declarant and its successors and assigns, and the entire management structure thereof.

Section 1.3. Personal Application. All present or future 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 regulations set forth in 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 their provisions.

Section 1.4. Definitions. Except as otherwise provided below, all terms shall have the meaning set forth in the Oregon Condominium Act, ORS 100.005 et seq., as supplemented by the declaration, and the statute and definitions are incorporated by this reference.

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

Section 2.1. Membership in the Association. Upon recordation of a conveyance or contract to convey a unit, the grantee or purchaser named in the conveyance or contract shall automatically be a member of the association, and shall remain a member of the association until the person’s ownership ceases for any reason. For all purposes of the condominium declaration ("declaration"), and the administration of the property, unit ownership shall be determined, from the records maintained by the association. The record shall be established by the unit owner filing with the association a copy of the deed to or land sale contract for his or her unit, to which shall be affixed the certificate of the recording officer of the County of Yamhill, Oregon, 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 foregoing, 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. The owner or co-owner of each unit shall be entitled to one vote per unit. The calling and conducting of meetings of the association of unit owners and the exercise of voting rights shall be controlled by Articles II and III of the bylaws.

Section 2.3. Majority of Owners. As used in these bylaws, the term "majority of owners" shall mean those owners holding over 50% of the voting rights allocated to the unit owners in
accordance with the declaration and section 2 above. "Majority of owners present" shall mean owners holding over 50% of the votes present at any legal meeting.

Section 2.4. Quorum. Except as otherwise provided in these bylaws, the presence in person, by proxy, or by ballot of owners holding 40% or more of the outstanding votes in the condominium, as defined in section 2 of this article, shall constitute a quorum; provided, however, the quorum at any adjourned meeting, as described in Article III, section 8, shall be reduced to 25% of the outstanding votes in the condominium.

Section 2.5. Proxies; Ballots. Votes may be cast in person, by proxy, or by written ballot. Proxies must be filed with the Secretary before or during the appointed meeting. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. In the sole discretion of the board of directors, a meeting of the association may be by ballot, rather than at a formal gathering. Ballots for such meeting must be properly executed and returned in sufficient quantity to constitute a quorum and/or to pass the proposal specifically proposed on the ballot. Unless withdrawn, a proxy given to another person to vote at a specific meeting shall also be valid at an adjourned meeting called under the provisions of Article III, section 8.

Section 2.6. Authority to Vote. All owners shall be entitled to vote, including those who have leased their premises to a third party. An owner's right to vote may not be revoked. A purchaser under a land sale contract entitled to immediate possession of the unit shall be deemed the owner thereof, unless otherwise provided in such contract.

Section 2.7. Fiduciaries and Joint Owners. 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 by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of the unit shall be disregarded completely in determining the proportion of votes given with respect to such matter.

Section 2.8. Actions by Association; Legal Meeting. Except as otherwise required in the declaration, these bylaws, the Oregon Condominium Act, or the Oregon Nonprofit Corporation Act, decisions and resolutions of the association shall require approval by a majority of owners present at any legal meeting. A legal meeting is one 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. The owners of the units constitute the members of the McMinnville Aircraft Storage Condominium Association, Inc. ("association"), which 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 must be incorporated as an Oregon nonprofit corporation.

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

**Section 3.3. Turnover Meeting.** The turnover meeting shall be held not later than 90 days following the earlier of conveyance to persons other than Declarant of 75% of the number of units which Declarant has reserved the right to create 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 seven nor more than 60 days before the meeting. If such meeting is not called by Declarant within the time specified, the meeting may be called and notice given by any unit owner.

At the turnover meeting, 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 in accordance with the provisions of Article IV of these bylaws. Additionally, 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 three-month period following the turnover meeting, Declarant or an informed representative shall be available to meet with the board of directors on at least three mutually acceptable dates to review the documents delivered to the association as required by the Oregon Condominium Act and referred to above.

**Section 3.4. Annual Meetings.** 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 set by action of the board of directors. This meeting, at the discretion of the board of directors, may be changed from time to time, but must be held annually under the rules and regulations as set out in the bylaws. At such meetings, new members of the board of directors shall be elected by the owners in accordance with the requirements of section 4.6 of these bylaws, to replace those directors whose terms have expired. The owners may also transact such other business of the association as may properly come before them.

**Section 3.5. Special Meetings.** It shall be the duty of the Chairperson to call a special meeting of the owners, upon the Chairperson’s decision or as directed by resolution of the board of directors or upon a petition signed by 10% or more of the owners having been presented to the Secretary. 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 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 thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all the owners of the units or as otherwise set out in these bylaws.

**Section 3.6. Notice of Meetings.** It shall be the duty of the Secretary to mail by first-class or certified mail or to hand-deliver a notice of each annual or special meeting, stating the purpose thereof and the time and place where it is to be held, to each owner of record at least seven but not
more than 60 days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. It shall be the duty of the Secretary to hand-deliver or mail by first-class or certified mail written ballots for ballot meetings to each owner of record not less than 20 days before the date such ballots must be received by the association in order to be counted. Mailed notices shall be addressed to the person entitled to such notice at the most recent address given by such person to the Board, in writing, for the purpose of service of such notice, or to the most recent address known to the Board. Notice to the owner of owners or any Unit shall be sufficient if posted on the door of the Unit of such person or persons if no mailing address has been given to the Board by any of the persons so entitled. Notice to one owner shall be sufficient notice to all owners of a Unit absent a written request for individual notices. Mailing addresses may be changed from time to time by notice in writing to the Board. Notice to be given to the Board may be given to Declarant until the Association and Board have been constituted and thereafter shall be given to the Chairperson or Secretary of the Association.

Section 3.7. Adjourned Meetings. If any gathering of owners is not a legal meeting because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours nor more than 20 days from the time the original meeting was called. The board of directors may postpone the date for counting the ballots of a ballot meeting, in one or more postponements, for up to 90 days after the originally scheduled ballot return date if a quorum of ballots has not been returned and/or for matters on which a certain percentage approval is required and that vote has not been received nor have sufficient votes in opposition been received to negate such approval.

Section 3.8. Order of Business. The order of business at all meetings of the owners of units shall be as follows unless the board of directors sets a different agenda:

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

ARTICLE 4
BOARD OF DIRECTORS

Section 4.1. Number and Qualification. The affairs of the association shall be governed by a board of directors composed of one (1) to five (5) persons, each of whom must be a unit owner or the co-owner of a unit. An officer or employee of a corporation, or the trustee of a trust, or personal representative of an estate, or an employee of the trust or estate may serve on the board of directors, if the corporation, trust, or estate owns a unit.

Section 4.2. Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the association and may do all such acts and things as are not by law or by these bylaws directed to be exercised and done by the owners.
Section 4.3. Other Duties. In addition to duties imposed by these bylaws or by resolutions of the association, the board of directors shall have authority to carry out and be responsible for the following matters:

(a) Care, upkeep, and supervision of the condominium, the common elements and the association property, and assigning, supervising assignments, or approving any assignment of the use of any common element as may be required by the declaration.
(b) Establishing and maintaining replacement reserve accounts and other reserves that are required to be maintained by the Oregon Condominium Act or these bylaws and such other reserve accounts as are permitted by these bylaws.
(c) Designation and collection of assessments from the owners, in accordance with these bylaws, the declaration, and the Oregon Condominium Act.
(d) Establishing a budget for payment of all common expenses of the association, and institution and maintenance of a system for such payment as may be reasonably necessary to prevent any misuse of association funds.
(e) Obtaining and maintaining insurance policies and payment of premiums out of the common expense funds in respect to both the common elements and individual units as more specifically provided in these bylaws.
(f) Designation and dismissal of the personnel necessary for the maintenance and operation of the condominium, the general common elements, and the limited common elements, if any.
(g) Causing the preparation and distribution of annual financial statements of the condominium to each of the unit owners as more specifically provided in Article 7 of these bylaws.
(h) Adoption and amendment of administrative rules and regulations governing the details of operation and use of the common elements; provided, however, any such rules or regulations shall always be subject to rescission or amendment by the association upon majority vote of owners present at any properly called meeting at which a quorum is present.
(i) Causing the association to comply with ORS 100.480 relating to maintenance of documents delivered to the association by Declarant and maintenance and distribution of financial statements. Also to maintain copies suitable for duplication of the following: declaration, bylaws, association rules and regulations and any amendments, the most recent annual financial statement, and the current operating budget of the association.

Section 4.4. Management Agent. The board of directors may, but is not required to, employ a management agent, to be compensated in an amount established by the board, to perform such duties and services as the board shall authorize, including, but not limited to, the duties listed in section 43 of this article.

Section 4.5. Interim Directors. Upon the filing of the declaration submitting the condominium to the Oregon Condominium Act, Declarant shall appoint an interim board of one to five directors (who need not be owners of units), who shall serve until replaced by Declarant or their successors have been elected by the unit owners at the turnover meeting as hereinafter provided.

Section 4.6. Election and Term of Office. At the turnover meeting of the association, the members will fix the number of directors in the range allowed by these bylaws and elect directors as provided by these bylaws and applicable Oregon law.

Section 4.7. Vacancies. Vacancies on the board of directors caused by any reason other than the removal of a director by a vote of the association shall be filled for the balance of the term
of each directorship by vote of a majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected upon expiration of the term for which the person was elected by the other directors to serve.

Section 4.8. Removal of Directors. At any legal annual or special meeting, other than a meeting by ballot, any one or more of the directors may be removed, with or without cause, by a majority vote and a successor may be then and there elected to fill the vacancy thus created. Any director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting. Any director who fails to attend three successive meetings of the board of directors which have been properly called, or who has failed to attend more than one-third of the board of directors meetings during a 12-month period which have been properly called, may be removed by a majority of the remaining directors.

Section 4.9. Organizational Meeting. The first meeting of a newly elected board of directors shall be held within 10 days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order to legally hold such meeting, provided that a majority of the newly elected directors are present.

Section 4.10. Regular Meetings. Regular meetings of the board of directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings of the board of directors may be called by the Chairperson on three 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 provided above), and purpose of the meeting.

Section 4.11. Special Meetings. Special meetings of the board of directors may be called by the Chairperson or Secretary or on the written request of at least three directors. Special meetings of the board of directors may be called on three days' notice to each director, given personally or by mail, telephone, or telegraph, which notice shall state the time, place (as provided above), and purpose of the meeting.

Section 4.12. Waiver of Notice to Directors. Before, at or after any meeting of the board of directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall be a waiver of notice by him or her 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 4.13. Board of Directors' Quorum. At all meetings of the board of directors, a majority of the existing directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors shall be the acts of the board of directors. If at any meeting of the board of directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.14. Board of Directors Meetings Open to All Association Members. All meetings of the board of directors shall be open to Unit owners except the, in the discretion of the board except that consultation with legal counsel, discussion of personnel matters and the negotiation of contracts with third parties may be conducted in executive sessions. No association member shall have a right to participate in the board of directors meetings unless the member is also a member of
the board of directors. The Chairperson shall have authority to exclude any association member who
disrupts the proceedings at a meeting of the board of directors.

Section 4.15. Notice to Association Members of Board of Directors Meetings. For other
than emergency meetings, notice of board of directors meetings shall be posted at a place on the
condominium property at least three days prior to the meeting or notice shall otherwise be provided
to each member of the association 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 4.16. Compensation of Directors. No director shall be compensated in any
manner, except for out-of-pocket expenses, unless such compensation is approved by vote of the unit
owners.

ARTICLE 5
OFFICERS

Section 5.1. Designation. The principal officers of the association shall be a Chairperson,
a Secretary, and a Treasurer, all of whom shall be elected by the directors. The directors may appoint
an assistant Treasurer and an assistant Secretary, and any such other officers as in their judgment
may be necessary.

Section 5.2. Election of Officers. The officers of the association may be elected by the
board of directors at the organizational meeting of each new board or any board meeting thereafter,
and shall hold office at the pleasure of the board.

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

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

Section 5.5. Secretary. The Secretary shall keep the minutes of all meetings of the board
of directors and the minutes of all meetings of the association; he or she shall have charge of such
books and papers as the board of directors may direct; and he or she shall, in general, perform all the
duties incident to the office of Secretary.

Section 5.6. Treasurer. The Treasurer shall have responsibility for association funds and
securities not otherwise held by the managing agent, and shall be responsible for keeping full and
accurate accounts of all receipts and disbursements in books belonging to the association. He or she
shall be responsible for the deposit of all monies and other valuable effects in the name, and to the
credit, of the association in such depositories as may from time to time be designated by the board
of directors.

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

ARTICLE 6

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OBLIGATIONS OF THE OWNERS

Section 6.1. Assessments. All owners are obligated to pay, in advance 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 of these bylaws. Owners will be billed for the annual assessment 30 days in advance of the date payment is due. In the discretion of the board of directors, the annual assessment may be made payable, semiannually, quarterly, or monthly. The assessment shall commence at the time of the first conveyance by Declarant to a unit owner. Prior to such time, Declarant shall pay all operating expenses of the condominium.

Except as otherwise provided in the declaration or these bylaws, each unit will be liable for the common expense in the same percentage as the percentage ownership in the common elements allocated to their units.

The annual assessment of units shall include the following items, which shall be common expenses:

Expense Items:
(a) Expenses of administration.
(b) Expenses of maintenance, repair or replacement of the common elements.
(c) Any deficit 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 power.
(e) Cost of insurance or bonds obtained in accordance with these bylaws.
(f) The cost of any professional management if required by mortgagees or desired by the board of directors.
(g) Legal, accounting, and other professional fees.
(h) Any other items properly chargeable as an expense of the association.

Section 6.2. Initial Assessment. The initial assessment to unit owners other than Declarant shall be determined by Declarant. The assessment shall thereafter be subject to review by the board of directors. Except as otherwise provided below, the assessment for all units shall be payable from the date the Declaration is recorded.

(a) At the time of closing, each purchaser shall contribute a sum equal to one-sixth of the initial annual assessment, in respect to the unit being purchased, as a one-time contribution to the working capital of the association. Within 60 days after conveyance by Declarant of the first unit in the condominium, Declarant shall make such contribution in respect to all units in the condominium that have not yet been conveyed to a purchaser. If Declarant has made such contribution, each purchaser shall reimburse Declarant at the time of closing for the amount of the contribution made by Declarant in respect to the unit conveyed to the purchaser. In the further event that the assessments are reduced pursuant to the authority granted to Declarant herein, the initial deposit to the association budget equal to one-sixth the annual assessment shall be based on the projected amount of such assessment after substantial or full occupancy of the units rather than on the reduced assessment.

(b) If Declarant or any other person pays all of the operating expenses of the condominium or subsidizes such expenses, the assessment shall be reduced by such amount.

(c) If the association expenses are temporarily less than projected by Declarant because some or most of the units are not yet sold or occupied, Declarant shall have the authority to reduce temporarily the assessment to reflect the lower expenses of the project.
Section 6.3. Special Assessments. The board of directors shall have the power to levy special assessments against an owner or all owners in the following manner for the following purposes:

(a) To correct a deficit in the operating budget by vote of a majority of the board;
(b) To collect amounts due to the association from an owner for breach of the owner’s obligations under the declaration, these bylaws, or the association’s rules and regulations, by vote of a majority of the board;
(c) Upon vote of a majority of the board of directors, to make repairs or renovations to the common elements if sufficient refunds are not available from the operating budget or replacement reserve accounts; or
(d) To make capital acquisitions, additions, or improvements, by vote of at least 75% of all votes allocated to units in the condominium.

Section 6.4. Payment of Assessments. Subject to the provisions of sections 2 and 3 of this Article 6, from the date the declaration is recorded, Declarant shall pay assessments due for operating expenses on all unsold units.

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

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

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

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

Such budget shall also include such reasonable amounts as the board of directors considers necessary to provide working capital and such general operating reserve accounts, contingency, and other reserve accounts as the board shall determine. At least 30 days before the beginning of each fiscal year, the board of directors shall send to each unit owner a copy of the budget in a reasonably itemized form that sets forth the amount of the common expenses and any special assessment payable by each unit owner. Such budget shall constitute the basis for determining each unit owner’s assessment for the common expenses of the condominium.

(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 for any owner to fail or refuse to pay assessments. Assessments shall continue, based on the last adopted or accepted budget, until a new budget is created and announced. Retroactive increases and/or special assessments may be made by the board of directors to make up for any deficiency.
(c) If the board of directors fails to timely adopt a budget for a new fiscal year, unit owners holding a majority of the votes of the entire association, at any general or specially called meeting, may adopt such a budget, announce it to the unit owners, and immediately commence assessments based on the newly adopted budget. Additionally, at any general or specially called meeting, unit owners holding a majority of the votes of the entire association may amend any budget adopted by the board of directors. Thereafter, assessments to unit owners shall be based on the budget as so amended until a new budget is adopted in accordance with this section 6.5.

Section 6.6. Default. Failure by an 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 and, in addition to the association’s other remedies provided in the declaration, these bylaws shall entitle the association to declare the balance of such owner’s annual assessment otherwise being paid in installments to be immediately due and payable in full. Interest shall be charged on delinquent assessments at a rate as may be set by the board of directors, from time to time, not to exceed the lower of 18% per annum or the highest rate permitted by applicable law. Prior to the imposition of or change in the interest rate charged on delinquent assessments, the board of directors shall give 30 days’ written notice to all owners.

In addition to the interest that may be charged on delinquent assessments, the board of directors, at its option, may impose a late penalty in respect to any assessment not paid within 10 days from the due date. The penalty may not exceed the sum of 10% of the delinquent assessment, but shall be imposed only once on each regular or special assessment or installment of such assessments.

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

Section 6.7. Maintenance and Repair.

(a) Every owner must perform promptly all maintenance and repair work within his or her own unit, which if omitted would affect the common elements of the whole, or part of, the condominium belonging to other owners, and shall be responsible for the damages and liabilities that his or her failure to do so may cause.

(b) All repairs of internal 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 shall be at the sole expense of the owner of such unit.

(c) An 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.

Section 6.8. Right of Entry: Encroachments; 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;
RULES OF CONDUCT

Failure by an owner (or his or her family, invitees, or lessees) to comply with the rules of conduct and restrictions set forth here or others promulgated 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 for Aircraft Storage Only. Each of the units will be used solely for the storage of aircraft and for the storage of such equipment and apparatus as may be incidental and/or necessary to the storage of aircraft and specifically shall not be used for any temporary or permanent human habitation or general public use other than uses which are directly related to storage and use of aircraft. All common elements shall be used in a manner conducive to such purpose.

Section 7.2. Restriction on Alteration to Unit. No owner shall make structural modifications or alterations in his or her unit or installations located in the Unit without previously notifying the association in writing by certified mail to the management agent, if any, or to the Chairperson of the board of directors, if no management agent is employed. The association shall have the obligation to answer within 30 days, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. However, this provision shall not waive or limit an owner's obligation to comply with the provisions of ORS 100.535.

Section 7.3. Vehicle Parking. Vehicle parking shall be only in accordance with the established and future rules and regulations of the City of McMinnville and such further regulations as may be established by the Board of the Association.

Section 7.4. Use of the Common Elements. No owner shall place or cause to be placed in the common elements of the condominium any objects of any kind without the prior written consent of the board of directors. Such areas shall be used for no purpose other than what is normal.
Section 7.5. Appearance of Condominium Building. No unit owner will cause anything to be hung, displayed, or placed on the walls, doors, windows, walkways, ceilings of walkways, or roof of 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. No "For Sale" or "For Rent" signs will be allowed on any part of the condominium property without the prior written consent of the board of directors, except that Declarant may post reasonable signs in reasonable places on the Condominium property advertising any unit for sale or for rent.

Section 7.6. Nuisances. No nuisances will be allowed on the condominium property nor any use or practice that is the source of annoyance to owners or that interferes with the peaceful possession and proper use of the property by its owners. Residents shall exercise extreme care about creating disturbances, making noises, or using musical instruments, radios, televisions, and amplifiers that may disturb other residents. All parts of the condominium will be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage allowed to accumulate, nor any fire hazard allowed to exist. All such garbage and trash shall be placed inside disposal containers. No unit owner will permit any use of his or her unit or make any use of the common elements that will increase the cost of insurance on the condominium property.

Section 7.7. Improper, Offensive, or Unlawful Use. No improper, offensive, or unlawful use will be made of the condominium property nor any part of it; all valid laws, zoning ordinances, and regulations of governmental bodies having jurisdiction will be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification, or repair of the condominium property will be carried out and paid for in the same manner as the responsibility for the maintenance and repair of the property concerned.

Section 7.8. Restriction on Exterior Installations. No owner 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.

Section 7.9. Additional Rules. 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 provided here, including insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other condominiums similar in construction and design, and which insurance shall be governed by the provisions in this numbered section.

Section 8.1. Types of Insurance Policies. For the benefit of the association and the owners, the board of directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance to the extent available at reasonable cost:
(a) A policy or policies of property insurance including, but not limited to, fire, extended
coverage, vandalism, and malicious mischief, for the full insurable replacement value, if available,
of all units and common elements, 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 include fixtures,
installations, or additions comprising a part of the building within the unfinished interior surfaces
of the perimeter walls, floors, and ceilings 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.

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

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

(d) A fidelity bond naming such persons as may be designated by the board of directors
as principals and the association and the owners as obligees, for the amount determined by the board
of directors; provided, however, that the board of directors shall require that all officers and
employees of the association handling or responsible for association funds obtain adequate fidelity
bonds. The premiums on such bonds shall be paid by the association. However, the board of
directors may waive this requirement with the written consent of at least 75% of Unit owners.

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

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

Section 8.4. Value of Owner Improvements. 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 in 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 VII.

Section 8.5. Provisions in Insurance Policies. The board of directors shall make reasonable efforts to secure insurance policies that will provide for the following:

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

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

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

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

Section 8.6. Reconstruction Costs. 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. The board of directors shall determine the amount of the deductible for property loss insurance policies, as well as other insurance policies required to be procured by the association under this Article VIII. In determining the deductible under the policies, the board, among other factors, shall take into consideration the availability, cost, and loss experience of the association. In this regard, as in other board responsibilities, the board members shall exercise their reasonable business judgment. 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 30 days' notice to the owners of any increase in the deductible proposed in renewal or replacement insurance policies.

8.8. Owner Insurance. The association shall have no responsibility to procure or assist in procuring property loss insurance for any owner or tenant for (a) damage to a unit or limited common elements not covered by the association's policy (because of the deductible amount or because the claim for loss or damage is one not normally covered by fire and property loss insurance policies with extended coverage endorsements); or (b) for any damage or loss to the owner's or tenant's personal property. Personal property insurance procured by the Owners or their tenants shall provide a waiver of subrogation in favor of the Association's master insurance and agree to hold the Association harmless. Owners or their tenants shall be responsible for purchasing insurance policies insuring their units and appurtenant limited common elements for the deductible amount under the association's policies and for insuring their own personal property for any loss or damage.
Section 8.9. Review of Insurance Policies. At least annually, the board of directors shall review all insurance carried by the association of unit owners, which review shall include a consultation with a representative of the insurance carrier writing the master policy.

ARTICLE 9
DAMAGE AND DESTRUCTION

Section 9.1. Insurance Proceeds Sufficient to Cover Loss. In case of fire, casualty, or any other damage and destruction, the insurance proceeds of the master policy, if sufficient to reconstruct the buildings damaged or destroyed, shall be applied to such reconstruction.

Section 9.2. Insurance Proceeds Insufficient to Cover Loss. If the insurance proceeds are insufficient to reconstruct the damaged or destroyed 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, the 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 60% of the units so vote, and on the approval of holders of at least 51% 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:

(a) The condominium property shall be deemed to be owned in common by the owners.
(b) 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.
(c) 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.
(d) 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. Reconstruction of the damaged or destroyed building as used in this article means restoring the buildings to substantially the same condition in which they existed before the fire, casualty, or disaster and shall be performed substantially in accordance with the declaration and the original plans and specifications unless other action is approved by the holders of at least 51% of the mortgages on units in the condominium. Such reconstruction shall be accomplished under the direction of the manager or the board of directors. Notwithstanding all other provisions hereof, the owners may, by an affirmative vote of sufficient owners to amend these bylaws, cause an amendment to be made to the condominium documents so as to facilitate architectural changes that the owners affected thereby and the association deem desirable if, and only if, the partial or total destruction of the condominium, or any buildings thereof, by fire, casualty, or any other disaster is so great as to require the substantial reconstruction of the whole of the condominium, or the buildings, and on approval by the holders of at least 51% of the mortgagees in the condominium; provided, however, that any such amendment
of such condominium documents shall be valid only on (1) compliance with all applicable provisions of the Oregon Condominium Act; (2) approval by the Oregon Real Estate Commissioner; (3) recording thereof with the recording officer of Yamhill County; and (4) 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. 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 Chairperson and Secretary of the association to be the amendment adopted by the association, and the certified amendment shall be recorded in the Deed Records of 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 75% of the units in the last stage of the condominium or five 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. The board of directors and the managing agent or manager, if any, shall keep detailed records of the actions of the board of directors and the managing agent or manager, minutes of the meetings of the board of directors and minutes of the meetings of the association. The board of directors shall maintain a list of owners entitled to vote at meetings of the association and a list of all mortgagees of units.

Section 12.2. Records of Receipts and Expenditures. The board of directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common elements, itemizing the maintenance and repair expenses of the common elements and any other expenses incurred. The records and the vouchers authorizing the payments shall be available for examination by the unit owners and mortgagees at convenient hours on weekdays.

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

Section 12.4. Payment of Common Expenses. The board of directors shall authorize the Treasurer, the management agent, or another specified party to pay all legitimate expenses of the association. The payments shall be made pursuant to the payment system instituted by the board of directors as described in Article IV, section 3(d), of these bylaws.

Section 12.5. Reports and Audits. The board of directors shall prepare or cause to be prepared an annual report of the receipts and expenditures of the association and a balance sheet and income and expense statement setting forth the financial condition of the association as at the end of each year. The report shall be prepared according to generally accepted accounting procedures and shall be distributed to all unit owners and to all mortgagees of units within 90 days after the end of each fiscal year. At any time any owner or mortgagee may, at his or her own expense, cause an audit or inspection to be made of the books and records of the association.

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

Section 12.7. Annual Report. The board of directors shall cause an annual report, including any amendments, to be filed with the Oregon Real Estate Agency pursuant to ORS 100.250.

ARTICLE 13
COMPLIANCE

These bylaws are intended to comply with the provisions of the Oregon Condominium Act, which are incorporated herein and to supplement the provision in the condominium declaration. In
case any of the provisions here conflict with the provisions of the statutes, the statutory provisions shall apply. In case of any conflict between the bylaws and the declaration, the provisions in the declaration shall apply.

ARTICLE 14
INDEMNIFICATION OF DIRECTORS,
OFFICERS, EMPLOYEES, AND AGENTS

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

ARTICLE 15
ASSESSMENT COLLECTION COSTS;
SUITS AND ACTIONS

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

If suit or action is commenced for the collection of any amounts due pursuant to these bylaws or for the enforcement of any provisions of the bylaws or of the Oregon Condominium Act, the party not prevailing will, in addition to all other obligations, pay the costs of such suit or action, including reasonable attorney fees to be fixed by the trial court and, in the event of an appeal, the cost of the appeal, together with reasonable attorney fees in the appellate court to be fixed by that court.
ARTICLE 16
MISCELLANEOUS

Section 16.1. Notices. All notices to the association or to the board of directors shall be sent in care of the managing agent, or if there is no managing agent, to the principal office of the association or to such other address as the board of directors may hereafter designate from time to time. All notices to any unit owner shall be sent to such address as may have been designated by him or her from time to time, in writing, to the board of directors, or if no address has been designated, then posted on the door of the owner's Unit.

Section 16.2. Waiver. No restriction, condition, obligation, or provision contained in these bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof that may occur.

Section 16.3. Invalidity; Number; Captions. The invalidity of any part of these bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these bylaws. As used here, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these bylaws.

It is hereby certified that these bylaws have been adopted by MICHAEL SHEETS CONSTRUCTION, INC., Declarant of McMinnville Aircraft Storage Condominium, and will be recorded in the Deed Records of Yamhill County, together with the declaration for the condominium, after the declaration and bylaws are approved by the assessor of that county and the Oregon Real Estate Agency.


Michael Sheets
MICHAEL SHEETS CONSTRUCTION, INC.

STATE OF OREGON

) ss.
County of Yamhill

October 11, 2000

Personally appeared the above-named Michael Sheets and acknowledged the foregoing instrument to be his voluntary act and deed.

Mary L. Denson
Notary Public for Oregon
My commission expires: 6-17-02

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It is hereby certified that these bylaws have been adopted by McMinnville Aircraft Storage Condominium Association, Inc., and will be recorded in the Deed Records of Yamhill County.

DATED: 10/1/02

MCMINNVILLE AIRCRAFT STORAGE CONDOMINIUM ASSOCIATION, INC.

[Signature]

By: [Signature]

Title: Secretary

STATE OF OREGON
County of Yamhill

On Oct 1, 2002, personally appeared Karen Sheets, Secretary, who, being first duly sworn, did say that he/she is the secretary of McMinnville Aircraft Storage Condominium Association, Inc., a corporation, and that said instrument was signed in behalf of said corporation by authority of its board of directors; and acknowledged said instrument to be his/her voluntary act and deed.

Before me:

[Signature]

NOTARY PUBLIC FOR OREGON

[Official Seal]