

BYLAWS OF THE CITADEL CONDOMINIUM

ARTICLE I

PLAN OF FAMILY UNION OWNERSHIP

Section 1. Family Unit Ownership. The project located at 12801 S.E. Stark St., City of Portland, County of Multnomah, State of Oregon, known as the "The Citadel" is submitted to the provisions of Oregon Revised Statute, Section 91.505 to 91.675.

Section 2 By-Laws Applicability. The provisions of these By-Laws are applicable to the project. (The term "project" as used herein shall include the land.)

Section 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 project in any manner, are subject to the regulations set forth in these By-Laws and the recorded Declaration.

The mere acquisition or rental of any of the family units (hereinafter referred to as ("units")) of the project or the mere act of occupancy of any said units will signify that these By-Laws are accepted, ratified, and will be complied with.

ARTICLE II

VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Voting. Voting shall be on a percentage basis and the percentage of the vote to which the owner is entitled is the percentage assigned to the family unit or units in the Declaration.

Section 2. Majority of Owners. As used in these By-Laws the term "majority of owners" shall mean those owners holding 51% of the votes in accordance with the percentages assigned in the Declaration.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of owners" as defined in Section 2 of this Article shall constitute a quorum.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

Section 1. Association Responsibilities. The owners of the family units will constitute the Association of Owners (hereinafter referred to as "Association") who will have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments and arranging for the management of the project pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of owners.

Section 2. Place of Meetings. Meetings of the Association shall be held at a suitable place convenient to the owners designated by the Board of Directors.

Section 3. Annual Meetings. The first annual meeting of the Association shall be held on May 5, 1969. Thereafter, the annual meetings of the Association shall be held on the 1st available date in May of each succeeding year. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these By-Laws. The owners may also transact other business of the Association as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by a majority of the owners and presented to the Secretary. 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 of the owners of family units.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least 5 but not more than 10 days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6. Adjourned Meetings. If any meeting of owners cannot be organized 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 forty-eight (48) hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all meetings of the owners of units shall be as follows:

- A. Roll call.
- B. Proof of notice of meeting or waiver of notice.
- C. Reading of minutes of preceding meeting.
- D. Reports of officers.
- E. Report of committees.
- F. Election of inspectors of election.
- G. Election of directors.
- H. Unfinished business.
- I. New Business.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number of Qualification. The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, all of whom must be owners of units in the project, provided that husband and wife may not serve as Directors simultaneously.

Section 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 By-Laws directed to be exercised and done by the owners.

Section 3. Other Duties. In addition to duties imposed by these By-Laws or by resolution of the Association, the Board of Directors shall be responsible for the following:

- A. Care, upkeep and surveillance of the project and the general common elements and the limited common elements.
- B. Collection of monthly assessments from the owners in accordance with these By-Laws and the Oregon Unit Ownership Law.
- C. Designation and dismissal of the personnel necessary for the maintenance and operation of the project, the general common elements and the limited common elements.
- D. In the event suit or action is commenced by the Directors for the collection of any amounts due pursuant to these By-Laws or for the enforcement of any provisions of the By-Laws or of the Oregon Unit Ownership Law, the owner will in the addition to all other obligations pay the cost of such suit or action including a reasonable attorney's fee to be fixed by the trial court and in the event of an appeal of the cost of the appeal together with a reasonable attorney's fee in the appellate court to be fixed by the court.

Section 4. Management Agent. The Board of Directors may employ for the Association a management agent at a compensation 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 3 of this Article.

Section 5. Election and Term of Office. At the first annual meeting of the Association the term of office of two Directors shall be fixed for three (3) years. The term of office for two Directors shall be fixed at two (2) years, and the term of office for one Director shall be fixed at one (1) year. At the expiration of the initial term of office each respective Director shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

Section 7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the owners and a successor may then and there be 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.

Section 8. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 9. 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, but at least twelve such meetings shall be held each fiscal year. Notice of regular meetings of the Board of Directors may be called by the President on three days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days notice to each Director, given personally or by mail, telephone, or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.

Section 11. Waiver of Notice. Before or at 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/her of the time and space thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Board of Directors Quorum. At all meetings of the Board of Directors, a majority of the 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. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. Insurance Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate insurance bonds. The premium on such insurance shall be paid by the Association.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an assistant treasurer, and an assistant secretary, and other such officers as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 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 the successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He/She shall preside at all meetings of the Association and of the Board of Directors. He/She shall have all 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/she may with discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all the meetings of the Association; He/She shall have charge of such books and papers as the Board of Directors may direct; and he/she shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He/She shall be responsible for the deposit of all moneys 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.

ARTICLE VI

OBLIGATIONS OF THE OWNERS

Section 1. Assessments.

A. All owners are obligated to pay monthly assessment's imposed by the Association to meet all project communal expenses, which shall include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake or other hazard. The assessments shall be made pro rata according to the value of the unit owner, as stipulated in the Declaration.

B. The Association shall establish and maintain a Reserve Fund for the purpose of affecting replacements of structural elements, and maintenance of the Condominium. Deposits from the general checking account into the Reserve Fund are to be made periodically. The Reserve Fund shall not exceed \$75,000.00.

C. In the event a Special Assessment is required to necessitate a payment for improvements and/or repairs, such as painting the exterior of the Condominium, roofing, etc., said Special Assessment shall be voted on by a majority of the owners at a Homeowners Meeting.

Section 2. Maintenance and Repair.

A. Every owner must perform promptly all maintenance and repair work within his/her own unit, which if omitted would affect the project in its entirety or in a part belonging to the owners, being expressly responsible for the damages and liabilities that his/her failure to do so may engender.

B. All repairs of internal installations of the unit such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installation, doors, windows, lamps and all other accessories belonging to the unit area shall be at the owner's expense.

C. An owner shall be liable and shall reimburse the Association for any expenditures incurred in repairing or replacing any "GENERAL COMMON AREA" as well as any "LIMITED COMMON AREA" and facility damaged through his/her fault, not otherwise covered by insurance owned by the Association for the owner's and Association's benefit. As recited in the recorded Declaration of "the Citadel", (page 4, item G) which refers to areas designated as "Limited Common Elements" or more specifically described to be the upper "A" units having patio decks, lower "A" units having a ground level patio, and "B" units (townhouses) having a ground level patio; all of the preceding are allocated for the restricted use of the respective owners.

D. It being "declared" that the carports are designated to be "Limited Common Areas", it is therefore the sole responsibility of each respective owner to keep his/her carport and/or carports free from debris and to be kept in a clean manner.

Section 3. Use of Family Units - Internal Changes -External Changes.

A. All units shall be utilized for single family residential purposes only.

B. An owner shall not make structural modifications or alterations in his/her unit or installations located therein without previously notifying the Association in writing, through the Management Agent., if any, or through the President 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 there is no objection to the proposed modification or alteration.

C. An owner shall not make structural modifications or alterations in the exterior of his/her unit or installations, deck covers, or patio covers associated therewith, without prior written approval of a majority of the Board of Directors.

Section 4. Use of General Common Elements and Limited Common Elements.

A. An owner shall not place or cause to be placed in the stairway and other project areas and facilities of a similar nature both common and limited, any furniture, packages or objects of any kind except that suitable furniture may be placed on the decks and

patios. Such areas shall be used for no purpose other than what is normal usage.

B. To alleviate damage and undo stress on the upper decks, Flower containers are not to exceed 35 lbs per square foot of deck space. They must be elevated and have air and moisture restrictors to catch surplus water and fertilizer.

Section 5. Right of Entry.

A. An 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 in case of any emergency originating in or threatening his/her unit, whether the owner is present or not.

B. An owner shall permit other owners, or their representatives, when so required, to enter his/her unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of emergency, such right of entry shall be immediate.

Section 6. Rules of Conduct.

A. No resident of the project shall post any advertisements or posters of any kind in or on the project, except as authorized by the Association.

B. Residents shall exercise extreme care about making noises or using washers, dryers, dishwashers, instruments, radios, television and amplifiers that may disturb other residents after 10:00 P.M. and before 7:00 A.M.

C. Those keeping domestic animals will abide by the Municipal Sanitary Regulations. Dogs are not permitted to eliminate on the lawn areas. All feces is to be immediately picked up by the pet owner.

D. It is prohibited to hang garments, rugs, laundry, etc. from the windows, from any of the facades of the project, patio or deck fences or other external structures in open carports. Further, it is prohibited to beat dust rags and/or rugs against the exterior of the buildings.

E. It is prohibited to place garbage or trash outside the disposal installations provided for such purposes in the service areas.

F. No owner or resident or lessee shall install wiring for electrical or telephone installation, television antennae, machines or air-conditioning units, etc., on the exterior of the project. No exterior antennas shall be allowed except those installed by the Association. All Satellite dishes must be approved by the Board of Directors.

G. Parking of boats, trailers, trucks one ton or larger, truck campers and motor homes

is prohibited within the confines of the Citadel.

H. Parking spaces in the Citadel are for the use of owners or tenants only, except that service vehicles may use available free parking spaces for temporary service calls or deliveries. All guests and business invitees, other than service personnel shall use public-street parking outside of the area. The owners or tenants who own more vehicles than their own living unit provides may use any available free parking spaces for one additional vehicle. All other additional vehicles shall be parked on public streets. For example, a living unit with one covered parking space shall be permitted to park one additional vehicle in the free parking spaces, but any second additional vehicle must be parked on the public street. A living unit having two covered parking spaces may park a third vehicle in any free parking space, but any additional vehicle must be parked on the public street.

Any vehicle parked in violation of this provision of the By-Laws may be towed away and stored and the cost of the towing and storage shall be charged to the owner or tenant responsible for the said vehicle. Any two of the Officers of the Citadel Condominium Association shall have the authority to order the removal of vehicles violating these provisions. Any sums advanced by the Association to pay the cost of removal and storage shall bear interest from the time of payment by the Association at the rate of 10% per annum.

I. Vehicular traffic on the driveways within the Citadel will be limited to five (5) miles per hour as a safety precaution. This speed limit shall apply to all motor vehicles.

J. All vehicles are to be parked **HEADING** into the carports and parking spaces. Do not double park in the driveways or parking spaces at any time.

K. Extended repairs or changing of oil on vehicles is prohibited within the complex area.

Section 7. Default. Failure by the owner to pay any assessment by the Association shall be a default by the owner and subject the owner and the family unit to the obligations of these By-Laws and of the Oregon Unit Ownership Law, and in addition thereto any default of the owner in any provisions of these By-Laws or of the Oregon Ownership Law shall be deemed to be a default by the owner of any mortgage to which the owner is a party or to which the family unit is subject.

Section 8. Should the Mortgagee of a first mortgage or Beneficiary of a first trust deed, while there remains an unpaid balance on the loan secured thereby, believe that proper maintenance, repair and replacement for the common elements are not being provided for, said Mortgagee or beneficiary, at its option, may deliver a written notice to the Board of Directors of the Association of Unit Owners, setting forth the particular defects which it believes exist in the maintenance, repair and replacement program, and if the specified defects are not corrected within ninety (90) days subsequent to the date of such notice, the

Mortgagor of a first mortgage or Grantor of a first trust deed does designate the Mortgagee or Beneficiary their proxy to attend all subsequent annual or special meetings of the Unit Owners Association and vote in behalf of the Mortgagor or Grantor upon all matters to the same extent as Mortgagor or Grantor could vote personally.

ARTICLE VII

AMENDMENTS TO PLAN OF FAMILY UNIT OWNERSHIP

Section 1. By-Laws. These By-Laws may be amended by the Association in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by owners representing at least 75% of the total value of all units in the project as shown in the Declaration.

ARTICLE VIII

MORTGAGES

Section 1. Notice to Association. An owner who mortgages his/her unit, shall notify the Association through the Management Agent , if any, or the President of the Board of Directors in the event there is no Management Agent, the name and address of his/her mortgagee; and the Association shall maintain such information in a book entitled "Mortgagee of Units".

Section 2. Notice of Unpaid Assessments. The Association shall, at the request of a mortgagee of a unit, report any unpaid assessments due from the owner of such unit.

ARTICLE IX

COMPLIANCE

These By-Laws are set forth to comply with the requirements of the Oregon Unit Ownership Law.

ARTICLE X

RIGHT OF RE-PURCHASE

In the event any owner wishes to sell his/her family unit, he/she must give notice in writing to the Association of such intention. The Association shall have the right to purchase said family unit upon the same terms and conditions as any bona fide offer

submitted to the owner which the owner accepts, provided that if the Association fails to exercise such right within 10 days from the date of acceptance of any offer by the owner, such right of re-purchase shall expire and the owner shall thereafter be free to sell such family unit free of any right of re-purchase by the Association.


ARTICLE XI

In case any of these By-Laws conflict with any provisions of the law of the State of Oregon, such conflicting By-Laws shall be null and void.

CERTIFICATE OF THE PRESIDENT
AND SECRETARY-TREASURER

We, the undersigned, do hereby certify that: We are the President and Secretary-Treasurer respectfully of The Citadel Condominium Homeowners Association, and that the foregoing By-Laws comprising twelve (12) pages constitute the revised By-Laws of the Citadel Condominium Homeowners Association.

Dated this 11 day of May, 2004



PRESIDENT

SECRETARY-TREASURER