

**DECLARATION SUBMITTING AMBASSADOR CONDOMINIUM TO
OREGON UNIT OWNERSHIP LAW**

THIS DECLARATION, pursuant to the provisions of the Oregon Unit Ownership Law, is made and executed this 13th day of April 1978, by AMBASSADOR ASSOCIATES, a partnership composed of Byrne Realty Investment Co., Inc. and William W. Rosenfeld, Jr., hereinafter called "Developer".

Developer proposes to create a condominium to be known as Ambassador Condominium, which will be located in the City of Portland, Multnomah County, Oregon. The purpose of this declaration is to submit Ambassador Condominium to the condominium form of ownership and use in the manner provided by the Oregon Unit Ownership Law.

NOW, THEREFORE, Developer does hereby declare and provide as follows:

1. DEFINITIONS. When used herein the following terms shall have the following meanings:

1.1 "Bylaws" means the Bylaws of the Association of Unit owners of Ambassador Condominium adopted pursuant to Section 12 below as the same may be amended from time to time.

1.2 "Developer" means Ambassador Associates, a partnership composed of Byrne Realty Investment Co., Inc. and William W. Rosenfeld, Jr., and its successors and assigns.

1.3 "Plans" means the plot or site plan and floor plans of Ambassador Condominium, recorded simultaneously with the recording of this Declaration.

1.4 Incorporation by Reference. Except as otherwise provided in this Declaration, each of the terms defined in ORS 91.500, a part of the Oregon Unit Ownership Law, shall have the meanings set forth in this section.

2. PROPERTY SUBMITTED. The property submitted to the Oregon Unit Ownership Law hereunder is held by Developer and conveyed by it in fee simple estate. The land submitted hereunder is located in the City of Portland, Multnomah County, Oregon, and is more particularly described as follows:

Lots 1 and 2, Block 184, CITY OF PORTLAND,
In the City of Portland, County of Multnomah and
State of Oregon.

Such property includes the land so describes, all building, improvements, and structures thereon, all easements, rights and appurtenances belongs thereto, and all personal property used in connection therewith.

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3. NAME. The name by which the property submitted hereunder shall be known is "Ambassador Condominium".

4. UNITS.

4.1 General Description of Buildings. The property contains one building. The building consists of nine floors plus full basement and is reinforced concrete construction with a brick and masonry exterior and asphalt roof.

4.2 General Description, Location, and Designation of Units. The property consists of a total of 48 units, 46 of which are residential and two are commercial. The dimensions, designation, and location of each unit is shown in the plans files simultaneously herewith and made a part of this Declaration as if fully set herein. The approximate area of each unit is shown in Exhibit A, attached hereto and made a part hereof.

4.3 Boundaries of Units. Each unit shall be bounded by the interior surfaces of its perimeter and bearing walls, floors, ceiling, windows, and window frames, doors and door frames, and trim, and shall include both the interior surfaces so described and the air space so encompassed. In addition, each unit shall include the outlet of any utility service lines, including water, sewerage, gas or electricity, and ventilating ducts, within the unit, but shall not include any part of any such lines or ducts themselves.

5. GENERAL COMMON ELEMENTS. Each unit will be entitled to a percentage ownership interest in the general common elements as shown on Exhibit A, attached hereto and made a part hereof. The general common elements consist of the following:

5.1 The land and grounds.

5.2 Pipes, ducts, flues, chutes, conduits, wires, and other utility installations to their outlets.

5.3 Roofs, foundations, bearing walls, perimeter walls, beams, columns and girders to the interior surfaces thereof.

5.4 The manager's office, lobby, and basement area, except individual storage lockers that are limited common elements.

5.5 Hallways, stairways, elevators, entrances and exists which are not part of a unit, except the common hall for Units 804, 805, and 806.

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5.6 All other elements of the building and the property necessary or convenient to their existence, maintenance, and safety, or normally in common use, except as may be expressly designated herein as part of a unit or a limited common element.

6. LIMITED COMMON ELEMENTS. The following shall constitute limited common elements, the use of which shall be restricted to the units to which they pertain: Basement storage lockers, each of which shall pertain to the unit whose number it bears on the Plans, and the common hall for Units 804, 805, and 806, as shown on the Plans, which hall shall pertain one-third each to Units 804, 805, and 806.

7. USE OF PROPERTY; MAINTENANCE.

7.1 Each unit, except for Units 1 and 2, are to be used for residential purposes as described in the Bylaws. Units 1 and 2 may be used for any lawful purpose permitted by the City of Portland zoning regulations, except that Units 1 and 2 may not be used as an adult bookstore, adult massage parlor, or similar facility of lascivious nature. Additional limitations on use are contained in the Bylaws and the rules and regulations adopted pursuant to the Bylaws. Each unit owner shall be bound by each of the terms, conditions, limitations, and provisions contained in such documents.

7.2 The necessary work to maintain, repair, or replace the common elements shall be the responsibility of the Board of Directors of the Association and shall be carried out as provided in the Bylaws. If the mortgagee or beneficiary of any unit determines that the Board of Directors is not providing an adequate maintenance, repair, and replacement program for the common elements, such mortgagee or beneficiary, at its option, may deliver a notice to the Board of Directors by delivering same to the registered agent, as required pursuant to ORS 91.578, setting forth the particular defect which it believes exists in the maintenance, repair, and replacement program. If the specified defects are not corrected within 90 days subsequent to receipt of such notice, then the mortgagee or beneficiary, upon written notice to the registered agent that it is exercising its proxy rights thereunder, shall have the right to attend succeeding annual or special meetings of the Association and to cast a vote for each unit on which it holds a mortgage or deed of trust on all business coming before such meeting, which proxy rights shall continue until the defects listed on the notice are corrected.

8. COMMON PROFITS AND EXPENSES; VOTING.

8.1 The common profits derived from and the common expenses of the common elements shall be distributed and charged to the owner of each unit according to the percentage of undivided interest of such unit in the general common elements.

8.2 Each unit owner shall be entitled to a vote in the affairs of the Association of unit owners equal to his percentage of undivided interest in the general common elements for each unit owned by him.

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9. SERVICE OF PROCESS. The name of the person to receive service of process in cases provided in subsection (1) of ORS 91.578 is George W. Mead, Jr. and his place of business within Multnomah County, Oregon is 211 Wells Building, 625 SW Washington Street, Portland, OR 97205.

10. ENCROACHMENTS. If any portion of the common elements now encroaches upon any unit, or if any unit now encroaches upon any other unit or upon any portion of the common elements, as a result of the construction of any building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any building, a valid easement for the encroachment and for the maintenance of the same so long as the building stands, shall exist. In the event any building, unit, adjoining unit, or adjoining common element, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the common elements upon any unit or of any unit upon any other unit or upon any portion of the common elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the building shall stand.

11. APPROVAL BY MORTGAGEES. In addition to any other approvals required by the Oregon Unit Ownership Law, this Declaration or the Bylaws of the Association of Unit Owners, the prior written approval of 75 percent of the holders of first mortgages or beneficiaries of first deeds of trust on units in the Condominium (based upon one vote for each first mortgage or deed of trust owned) must be obtained for the following:

11.1 Abandonment or termination of the condominium regime;

11.2 Any change in the prorata interest or obligations of any individual unit for (a) purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (b) determining the prorata share of ownership of each unit in the common elements;

11.3 The partition or subdivision of any unit;

11.4 Abandonment, partition, subdivision, encumbrance, sale, or transfer of the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause; or

11.5 Use of hazard insurance proceeds for losses to any Condominium property, whether to units or to common elements, for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in cases of substantial loss to the units and/or common elements of the condominium project.

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12. ADOPTION OF BYLAWS, APPOINTMENT OF INTERIM BOARD, AND DESIGNATION OF MANAGER. Upon the execution and the filing of the Declaration, the Developer shall adopt Bylaws for the Association of Unit owners of Ambassador Condominium, which Bylaws are attached hereto as Exhibit B and filed simultaneously herewith. At the same time, Developer will appoint the interim board of directors of the Association, which directors shall serve until their successors have been elected as provided by the bylaws (*Bylaws*). Such interim board of directors may appoint a manager or managing agent for the Condominium on behalf of the Association of unit owners, and such manager or managing agent shall have complete authority to assume full control and responsibility for the management, operation, and maintenance of the Condominium from the date of its formation at the expense of the Association. Each unit owner shall be a member of the Association. Notwithstanding any other provision of this section, any management agreement or other contract providing for services by Developer shall provide for termination on 90 days written notice and shall have a maximum contract term of three years.

14. AMENDMENT.

14.1 Approval Required. Except as may otherwise be provided in this declaration (*Declaration*) or by the Oregon Unit Ownership Law, this Declaration may be amended if such amendment is approved by 75 percent of the voting power of the unit owners. Developer's prior written consent shall also be required so long as Developer owns any unit in the Condominium, but no such consent shall be required after three years after this Declaration is recorded. No amendment may change the size, location, percentage interest in the general common elements, share of the common profits or expenses, or voting power of any unit unless such amendment has been approved by the owners of the affected unit and the holders of any mortgage or trust deed on such unit. No amendment may restrict the permitted uses of Unit 1 or Unit 2 unless such amendment has been approved by the owners of such unit and the holders of any mortgage or trust deed on such unit. Sections 11 and 7.2 may not be amended without written consent of all holders of first mortgages and beneficiaries of first deeds of trust on units in the Condominium.

14.2 Recordation. The amendment shall be effective upon recordation of the Declaration as amended or of the amendment thereto, certified to by the Chair and Secretary of the Association and approved by the county assessor and the Real Estate Commissioner, in the Deed Records of the county in which the Condominium is located.

15. SEVERABILITY. The determination of invalidity, by any court, of any provisions or restrictions imposed by this Declaration or the Bylaws, or of any provisions or restrictions thereof, or of any part of such restriction or provision, shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Declaration or the Bylaws, and all of the terms thereof shall be severable.

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IN WITNESS WHEREOF, Developer has caused this Declaration to be executed this 13th day of April 1978.

AMBASSADOR ASSOCIATES,
A partnership
By Byrne Realty Investment Co., Inc.

By Thomas P. Moyer

By William W. Rosenfeld, Jr.

State of Oregon
County of Multnomah

The foregoing instrument was acknowledged before me on this 13th day of April 1978, by Thomas P. Moyer of Byrne Realty Investment Co., Inc., a partner of Ambassador Associates.

V. L. April Olbrich
Notary Public for Oregon
My commission expires: 10-16-81

State of Oregon
County of Multnomah

The foregoing instrument was acknowledged before me on this 13th day of April 1978, by William W. Rosenfeld, Jr., a partner of Ambassador Associates.

V. L. April Olbrich
Notary Public for Oregon
My commission expires: 10-16-81

MORTGAGEE'S CONSENT
Benjamin Franklin Federal Savings and Loan

Association of Portland is the owner and holder of a mortgage on the property being submitted to the Oregon Unit Ownership Law hereunder and consents to the making of the foregoing declaration.

Benjamin Franklin Federal Savings and
Loan Association of Portland

By Patrick C. Jordan, VP

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State of Oregon
County of Multnomah

On this 7th day of September 1978, personally appeared before me Patrick C. Jordan, who, being duly sworn, did say that he is the Vice President of Benj. Franklin Federal Savings and Loan Association of Portland and that said instrument was signed in behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be its voluntary act and deed.

Gwendolyn B. Reid
Notary Public for Oregon
My commission expires: 11/21/87

The foregoing declaration is approved this 2nd day of October 1978

(Unreadable signature)
Assessor and Tax Collector
For Multnomah County

The foregoing declaration and Bylaws attached hereto are approved this 26th day of September 1978.

GORDAN W. BURBEE
Real Estate Commissioner

By R. C. Wilson

Multnomah County, Book 1299, pp 15-25

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EXHIBIT A

**TO DECLARATION SUBMITTING AMBASSADOR CONDOMINIUM TO
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Percentage Interest In Common Elements of Each Unit

UNIT	APPROXIMATE SQUARE FOOTAGE	PERCENTAGE INTEREST
1	1668	2.960
2	2931	5.202
201	1118	1.984
202	833	1.478
203	1243	2.206
204	1115	1.979
205	826	1.466
206	1247	2.213
301	1134	2.012
302	883	1.567
303	1266	2.247
304	1140	2.023
305	822	1.455
306	1218	2.161
401	1145	2.032
402	879	1.560
403	1262	2.240
404	1143	2.028
405	817	1.450
406	1220	2.165
501	1137	2.018
502	672	1.192
503	1478	2.623
504	1140	2.023
505	818	1.452
506	1235	2.192
601	1147	2.035
602	661	1.173
603	1467	2.603
604	1136	2.016
605	830	1.473

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606	1229	2.181
UNIT	APPROXIMATE SQUARE FOOTAGE	PERCENTAGE INTEREST
701	2050	3.638
703	1244	2.208
704	1133	2.011
705	657	1.166
706	1408	2.499
801	1160	2.059
802	895	1.588
803	1230	2.183
804	1141	2.025
805	670	1.189
806	1414	2.509
901	1394	2.474
902	410	.728
903	1471	2.610
904	1984	3.521
906	1228	2.179
Total		

Multnomah County. Book 1299, pp 26-27

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EXHIBIT B

**BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF AMBASSADOR
CONDOMINIUM**

ARTICLE I

PLAN OF UNIT OWNERSHIP

1. Name and location. These are the Bylaws of the ASSOCIATION OF UNIT OWNERS OF AMBASSADOR CONDOMINIUM (hereinafter the “ Association”). AMBASSADOR CONDOMINIUM (hereinafter the “Condominium”) is located in the City of Portland, Multnomah County, Oregon, and has been submitted to the Oregon Unit Ownership Law by a declaration filed simultaneously herewith (hereinafter called “the Declaration”). The location of the Condominium is more specifically described in the Declaration.

2. Principal Office. The principal office of the Association shall be located at 1209 SW Sixth, Portland, Oregon 97204.

3. Purposes. This Association is formed under the provisions of the Oregon Unit Ownership Law to serve as the means through which the unit owners may take action with regard to the administration, management, and operation of the Condominium.

4. Applicability of Bylaws. The Association, all unit owners, and all persons using the condominium property shall be subject to these Bylaws and to all rules and regulations what may be promulgated hereunder.

5. Composition of Association. The Association shall be composed of al the unit owners of the Condominium, including Ambassador Associates, a partnership composed of Byrne Realty Investment Co., Inc. and William W. Rosenfeld, Jr. and their successors, and assigns (hereinafter, “the Developer”), and the Association, itself, to the extent any of these own any unit or units of the Condominium.

6. Definitions.

(a) Adoption by Reference. The definitions contained in or adopted by the *Declaration* shall be applicable to these Bylaws.

(b) Percentage of unit owners. Whenever a percentage of unit owners is specified herein, such percentage means the owners of that percentage in the aggregate of the undivided ownership interests in the general common elements as the percentage of interest in such elements is expressed in the Declaration.

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(c) Mortgage and Mortgagee. As used herein, the terms “mortgage” and “mortgagee” shall include, respectively, a deed of trust and the beneficiary of a deed of trust.

ARTICLE II

MEETINGS OF ASSOCIATION

1. Place of Meetings. The Association shall hold meetings at such suitable place convenient to the unit owners as may be designated by the board of directors from time to time.

2. First Organizational Meeting. Within ninety (90) days after the Developer has submitted the Condominium to unit ownership and adopted these Bylaws as owner of all the units, the Developer shall call the first meeting of the unit owners to organize the Association. In the event of lack of quorum at such first organizational meeting, it may be adjourned to the time of the next annual meeting.

3. Annual Meetings. The annual meetings of the Association shall be held in the months of January or February at such hour and on such date as the Chair may designate, or if the Chair should fail to designate such a date by the first of February, then on the last Tuesday in February. The annual meetings shall be for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

4. Special Meetings. Special meetings of the Association may be called by the Chair or Secretary or by a majority of the Board of Directors, and must be called by such officers upon the receipt of a written request from at least thirty percent (30%) of the unit owners stating the purpose of the meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

5. Notice of Meetings. Notice of all meetings of the Association stating the time and place and the objects for which the meeting is being called shall be given by the Chair or the Secretary. Such notice shall be in writing and mailed or emailed, subject to the owner's wishes to each unit owner at his address as it appears on the books of the Association not less than ten (10) days nor more than fifty (50) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived by any Unit Owner before or after meetings. When a meeting is adjourned for less than 30 days, no notice of the adjourned meeting need to be given other than by announcement at the meeting at which such adjournment takes place.

6. Voting. Each unit owner shall have a vote equal to his percentage interest in the general common elements of the Condominium. The Developer shall be entitled to vote

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as the unit owner of any then existing units retained by the Developer, and the Board of Directors shall be entitled to vote on behalf of any unit which has been acquired by or on behalf of the Association; provided, however, that the Board of Directors shall not be entitled to vote such units in any election of directors.

7. Proxies. A vote may be cast in person or by proxy. A proxy given by a unit owner to any person who represents such owner at meetings of the Association shall be in writing and signed by such owner, and shall be filed with the Secretary. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy, and every proxy shall automatically cease upon the sale of the unit by its owner. A unit owner may pledge or assign his voting rights to a mortgagee. In such a case, the mortgagee or its designated representative shall be entitled hereunder and to exercise the unit owner's voting rights from and after the time that the mortgagee shall be given written notice of such pledge or assignment to the Board of Directors.

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

9. Quorum of Unit Owners. At any meeting of the Association, fifty percent (50%) of the unit owners, computed as provided in Article I, Section 6(b), present in person or by proxy, shall constitute a quorum. The subsequent joinder of a unit owner in the action taken at a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a unit owner or owners. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

10. Majority Vote. The vote of more than fifty percent (50%) of the unit owners, computed as provided in Article I, Section 6(b), present in person or by proxy, at a meeting at which a quorum is constituted shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, by the Declaration or by these Bylaws.

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

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

ARTICLE III

BOARD OF DIRECTORS

1. Number and Qualification. The affairs of the Association shall be governed by a board of directors composed of three (3) to five (5) persons, as provided in Sections 2 and 3 of this article. All directors, other than interim directors appointed by the Developer, shall be resident owners or co-owners of units of the Condominium. For purposes of this section, the officers of any corporate owner and the partners of any partnership shall be considered co-owners of any units by such corporation or partnership.

2. Interim Directors. Upon the filing of the Declaration submitting the Condominium to the Oregon Unit Ownership Law, the Developer shall appoint an interim board of three (3) directors, who shall serve until replaced by Developer or their successors have been elected by the unit owners as hereinafter provided.

3. Election and Term Office. At the first annual meeting after eighty percent (80%) of the units have been sold and conveyed to purchasers, the interim directors shall resign and five (5) successors shall be elected, three for two year terms and two for one year terms. Thereafter, at the expiration of the initial term of office of each director, his successor shall be elected to serve for a term of two years, so that the term of not less than one-third of the directors shall expire annually. Directors shall hold office until their respective successors have been elected by the Unit Owners. Election shall be by plurality.

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4. 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, or by the sole remaining director. Each person so elected shall be a director until a successor is elected to fill the unexpired term at the next annual meeting of the Association or the next special meeting of the Association called for that purpose. Vacancies in interim directors shall be filled by Developer.

5. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors, other than interim directors, may be removed with or without cause by a majority vote of the unit owners present in person or by proxy, and a successor shall be elected at that meeting to fill the vacancy thus created. The notice of any such meeting shall state that such removal is to be considered, and any director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

6. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law or by the Declaration or by these Bylaws may not be delegated to the Board of Directors by the unit owners. The powers and duties to be exercised by the Board of Directors shall include, but shall not be limited to the following:

- (a) Operation, care, upkeep, maintenance, and repair of the general and limited common elements.
- (b) Determination of the amounts required for operation, maintenance, and other affairs of the Association, and the making of such expenditures.
- (c) Collection of the common expenses from the unit owners.
- (d) Employment and dismissal of such personnel as necessary for the efficient maintenance, upkeep, and repair of the common elements.
- (e) Employment of legal, accounting, or other personnel for reasonable compensation to perform such services as may be required for the proper administration of the Association.
- (f) Opening of bank accounts on behalf of the Association and designating the signatories required therefore.
- (g) Purchasing units of the Condominium at foreclosure or other judicial sales in the name of all the unit owners as provided by these Bylaws.

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(h) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of directors), or otherwise dealing with units of the Condominium acquired by the Association or its designee on behalf of all the unit owners.

(i) Obtaining insurance or bonds pursuant to the provisions of these Bylaws.

(j) Making additions and improvements to, or alterations of, the common elements; elements; provided, however, that no such project may be undertaken by the board if the total cost will exceed the amount of \$2,500 unless the unit owners have enacted a resolution authorizing the project by a vote of seventy-five percent (75%) of the unit owners present in person or by proxy at a meeting at which a quorum is constituted. This limitation shall not be applicable to repairs or maintenance undertaken pursuant to paragraph (a) above,

(k) Enforcement by legal means of the provisions of the Oregon Unit Ownership Law, the Declaration filed thereunder, these bylaws (*Bylaws*) and any rules and regulations adopted hereunder.

7. Managing Agent or Manager. On behalf of the Association, the Board of Directors may employ or contract for a Managing Agent or a Manager at a compensation to be established by the Board of Directors. The Board of Directors may delegate to the managing agent or manager such duties and powers as the Board of Directors may authorize. In the absence of such appointment, the Board of Directors shall act as Manager.

8. Organizational Meeting. Within fourteen (14) days following the annual meeting of the Association or following any meeting at which an election of directors has been held, the board of directors Board of Directors shall hold an organizational meeting at such place and time as shall have been fixed by the Directors at the meeting at which the election was held.

9. Regular and Special meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Special meetings of the Board of Directors may be called by the Chair and must be called by the Secretary at the written request of at least two Directors. Notice of any special meeting shall be given to each Director, personally or by mail, email, telephone, or telegraph at least seven (7) days prior to the day named for such meeting, and shall state the time, place, and purpose of such meeting.

10. Waiver of Notice. Any Director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall constitute a waiver by such Director of notice of the time and place thereof, except where a Director attends the meeting for the express purpose of objecting to the transaction of any business

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because the meeting is not lawfully called or convened. If all of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors less than a quorum should be present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

12. Compensation. No Director shall receive any compensation from the Association for acting as such.

13. Liability and Indemnification of Directors, Officers, Manager, or Managing Agent. The directors and officers shall not be liable to the Association of the unit owners for any mistakes of judgment, negligence, or otherwise except for their own willful misconduct or bad faith. The Association shall indemnify and hold harmless each director and officer and the manager or managing agent, if any, against all contractual liability to others arising out of contracts made by the board of directors, officers, manager, or managing agent on behalf of the Association unless such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws. Each Director and Officer and the Manager or Managing Agent, if any, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be party, or which they may be involved, by reason of being or having been a Director, Officer, Manager, or Managing Agent and shall be indemnified upon any reasonable settlement thereof; provided, however, there shall be no indemnity if the Director, Officer, Manager, or Managing Agent is adjudged guilty of willful nonfeasance, misfeasance or malfeasance in the performance of his duties.

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

15. Insurance. The Board of Directors shall obtain the insurance required in Article VIII of these Bylaws. In addition, the Board of Directors, in its discretion, may obtain such other insurance as it deems necessary to protect the interests of the Association or unit owners. The Board of Directors shall conduct an annual insurance review that, if appropriate, shall include an appraisal of all improvements contained in the Condominium.

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ARTICLE IV

OFFICERS

1. Designation. The principal officers of the Association shall be the Chair, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Directors may appoint a Vice Chair, an Assistant Treasurer, an Assistant Secretary, and such other officers as in their judgment may be necessary. The Chair shall be a member of the Board of Directors, but the other Officers need not be Directors or Unit Owners.

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. If any office shall become vacant, the Board of Directors shall elect a successor to fill the unexpired term at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for that purpose.

3. Removal of Officers. Upon the affirmative vote of a majority of the Directors, any officer may be removed either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

4. Chair. The Chair shall be the chief executive officer of the Association. The Chair shall preside at all meetings of the Association and of the Board of Directors. The Chair shall have all of the general powers and duties what are usually vested in the chief executive officer of an association, including but not limited to the power to appoint committees from among the unit owners from time to time as The Chair may at its discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5. Secretary. The Secretary shall keep the minutes of all proceedings of the Board of Directors and the minutes of all meetings of the Association. The Secretary shall attend to the giving and serving of all notices to the unit owners and directors and other notices required by law. The Secretary shall keep the records of the Association, except for those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the directors or the Chair. In addition, the Secretary shall act as Vice Chair, taking the place of the Chair and performing the Chair's duties whenever the Chair is absent or unable to act, unless the directors have appointed another Vice Chair.

6. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of required financial statements. The Treasurer shall be responsible for the deposit of all moneys and other valuable effects in such depositories as may from time to time be

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designated by the Board of Directors, and the Treasurer shall disburse funds of the Association upon properly authorized vouchers. The Treasurer shall perform all other duties incident to the office of treasurer of an association upon properly authorized vouchers. The Treasurer shall perform all other duties incident to the office of treasurer of an association and such other duties as may be assigned to the Treasurer by the Board of Directors.

7. Execution of Instruments. All agreements, contracts, deeds, leases, and other instruments of the Association, except checks, shall be executed by such person or persons as may be designated by general or special resolution of the Board of Directors and, in the absence of any general or special resolution applicable to any such instrument, then such instrument shall be signed by the Chair. All checks shall be signed by the Treasurer, or in his absence or disability, by the Chair or any duly elected Assistant Treasurer.

8. Compensation of Officers. No Officer who is a member of the Board of Directors, other than the Secretary and Treasurer, shall receive any compensation from the Association for acting as an Officer, unless such compensation is authorized by a resolution duly adopted by the unit owners. The Board of Directors may fix any compensation to be paid to the Secretary, Treasurer, and any Officers who are not also Directors.

ARTICLE V

BUDGET, EXPENSES, AND ASSESSMENTS

1. Budget. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association, estimate the common expenses expected to be incurred, less any previous overassessment, and assess the common expenses to each unit owner in the same proportion as their percentage interest in the general common elements. The Board of Directors shall advise each unit owner in writing of the amount of common expenses payable by the Unit Owner, and furnish copies of each budget on which such common expenses are based to all unit owners and, if requested, to their mortgagees.

2. Determination of Common Expenses. Common expenses shall include:

- (a) Expenses of administration.
- (b) Expense of maintenance, repair, or replacement of common elements.
- (c) Cost of insurance or bonds obtained in accordance with these Bylaws.
- (d) A general operating reserve.

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- (e) Reserve for replacements and deferred maintenance.
- (f) Any deficit in common expenses for any prior period.
- (g) Any other items properly chargeable as an expense of the Association.

3. Assessment of Common Expenses. All unit owners shall be obliged to pay common expenses assessed to them by the Board of Directors on behalf of the Association pursuant to these Bylaws and the Declaration. Assessments may not be waived due to limited or nonuse of common elements. The Developer shall be assessed as the unit owner of any unsold unit, but such assessment shall be prepared to the date of sale of the unit and assessments for reserves need not be paid until closing of such sale. The Board of Directors, on behalf of the Association, shall assess the common expenses against the Unit Owners from time to time, and at least annually, and shall take prompt action to collect from a unit owner any common expense due which remains unpaid by him for more than thirty (30) days from the due date for its payment.

4. Special Assessments.

(a) Capitol Improvements. In the case of any duly authorized capital improvement to the common elements, the Board of Directors may by resolution establish separate assessments for the same, which may be treated as capital contributions by the unit owners, and the proceeds of which shall be used only for the specific capital improvements described in the resolution.

(b) Reserve Trust Funds. In establishing reserves for the maintenance, repair, or replacement of the common elements, the Board of Directors may elect by resolution to establish one or more trust funds for the maintenance, repair, or replacement of specific items, in which case the board shall either designate part of the regular assessment or establish separate assessments for such purposes. The proceeds therefrom shall be held in such trust funds and used only for the designated maintenance, repairs, or replacements.

5. Default in Payment of Common Expenses. In the event of default by any Unit Owners in paying to the Association the assessed common expenses, such unit owner shall be obligated to pay interest at the rate of ten (10%) per annum on such common expenses from the due date thereof, together with all expenses from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Association in any proceeding brought to collect such unpaid expenses, or any appeal therefrom. The Board of Directors shall have the right and duty to recover for the Association such common expenses, together with the interest thereon, and expenses of the proceeding, including attorneys' fees, by an action brought against such unit owner or by foreclosure of the lien upon the unit granted by the Oregon Unit Ownership law. The Board of Directors shall

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notify the holder of any first mortgage upon a unit of any default not cured within sixty (60) days of the date of default.

6. Foreclosure of Liens for Unpaid Common Expenses. In any suit brought by the Association to foreclose a lien on a unit because of unpaid common expenses, the unit owner shall be required to pay a reasonable rental for the use of the unit during the pendency of the suit, and the plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect such rental. The Board of Directors, on behalf of the Association, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the unit. A suit or action to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing the liens securing the same.

7. Statement of Common Expenses. The Board of Directors shall promptly provide any Unit Owner who makes a request in writing with a written statement of his unpaid common expenses.

8. First Mortgages. Where the purchaser or mortgagee of a unit obtains a title to the unit as a result of foreclosure of a first mortgage or by deed in lieu of foreclosure, such purchaser or mortgagee, their successors and assigns, shall not be liable for any of the common expenses chargeable to such unit which became due prior to the acquisition of title to such unit by such purchaser or mortgagee. Such unpaid share of common expenses shall be a common expense and reallocated on a prorata basis to all units, including the mortgaged unit.

ARTICLE VI

RECORDS AND AUDITS

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.

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. Such records and the vouchers authorizing the payments shall be available for examination by the Unit Owners and Mortgagees at convenient hours of weekdays.

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

4. Payment of Vouchers. The Treasurer shall pay all vouchers up to \$2,000 signed by the Chair, Managing Agent, Manager, or other person authorized by the Board of Directors. Any voucher in excess of \$2,000, excluding the utility bills, shall require the signature of the Chair or the Chair's Designee.

5. Reports and Audits. Within 90 days after the end of the fiscal year, the Board of Directors shall prepare or cause to be prepared an annual financial statement consisting of a balance sheet and income and expenses statement for the preceding fiscal year; and distribute to each unit owner a copy of the annual financial statement.

(a) If the Association has annual assessments exceeding \$75,000, the most recent financial statement required under this section shall be reviewed within 180 days after the end of the fiscal year by an independent certified public accountant licensed in the State of Oregon in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

(b) If the Association has annual assessments of \$75,000 or less, the most recent financial statement required under this section shall be reviewed in the manner described in subsection (a) of this section within 180 days after the board of directors receives the petition requesting review signed by at least a majority of the owners.

(c) An association of unit owners subject to the requirements of subsection (a) of this section may elect, on an annual basis, not to comply with the requirements of subsection (a) of this section by an affirmative vote of at least 60 percent of the owners, not including the votes of the declarant with respect to units owned by the declarant.

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

ARTICLE VII

MAINTENANCE AND USE OF CONDOMINIUM PROPERTY

1. Maintenance and Repair. Except as otherwise provided herein for damage or destruction caused by casualty:

(a) Units. All maintenance of and repairs to any unit shall be made by the Owner of such unit, who shall keep the same in good order, condition, and repair and shall do

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all redecorating, painting, and staining that at any time may be necessary to maintain the good appearance and condition of his unit. In addition, each unit owner shall be responsible for the maintenance, repair, or replacement of windows and doors and any plumbing, any heating or air conditioning fixtures, telephones, water heaters, fans, lighting fixtures and lamps, fireplaces, refrigerators, dishwashers, ranges, or other appliances, and accessories that may be in or connected with his unit.

(b) Common elements. All maintenance, repairs and replacements to the general and limited common elements shall be made by the Association and shall be charged to all unit owners as a common expense. Each unit owner, however, shall keep the limited common elements that pertain to his unit in a neat, clean, and sanitary condition.

(c) Historic Preservation. Ambassador Condominium has been placed on the National Register of Historic Places. Accordingly, Ambassador Condominiums, consisting of all of the units and common elements, shall be used and maintained so as to preserve its historic value, in accordance with all applicable Federal and State of Oregon historic preservation laws and regulations.”

2. Additions, Alterations, or Improvements. A unit owner shall not, without first obtaining written consent of the Board of Directors, make or permit to be made any structural alteration, improvement, or addition in or to his unit, or in or to the exterior of the buildings or any other general or limited common elements, except that the owners of Units 1 and 2 may install, alter, or remove interior walls and partitions without the necessity of obtaining such consent. A unit owner shall make no repair or alteration or perform any other work on his unit that would jeopardize the soundness or safety of the property, or reduce the value thereof or impair any easement or hereditament unless the written consent of all unit owners affected is obtained. A unit owner shall not paint or decorate any portion of the exterior of the buildings or other general or limited common elements without first obtaining written consent of the Board of Directors.

3. Damage or Destruction by Casualty of Condominium Property.

(a) In the event of damage or destruction by casualty of condominium property, the damage or destruction shall be repaired, reconstructed, or rebuilt unless, within fourteen (14) days of such damage or destruction, the Board of Directors or more than ten percent (10%) of the unit owners have requested a special meeting of the Association. Such special meeting must be held within sixty (60) days of the date of damage or destruction. At the time of such meeting, unless ninety percent (90%) of the unit owners, whether in person, by writing, or by proxy, vote not to repair, reconstruct, or rebuild the damaged property, the damage or destruction shall be repaired, reconstructed, or rebuilt. In the case of substantial damage or destruction, timely written notice thereof shall be given to the unit owners and their mortgagees.

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(b) The Association shall be responsible for repairing, reconstructing, or rebuilding all such damage or destruction to the common elements and, to the extent not of the Association's insurance coverage, all such damage or destruction to the units. Each Unit Owner shall be responsible for such repairing, reconstructing, or rebuilding of his unit as is not covered by the Association's insurance.

(c) If, due to the act or neglect of a Unit Owner, or if a member of his family, or his household pet, or a guest, or other authorized occupant or visitor of such Unit Owner, damage shall be caused to the common elements or to a Unit Owner by others, or maintenance, repairs, or replacements shall be required that would otherwise be a common expense, then such Unit Owner shall pay for such damage and such maintenance, repairs, and replacements as may be determined by the Association, to the extent not covered by the Association's insurance.

(d) In the event the insurance proceeds paid to the Association are not used to repair, reconstruct, or rebuild the damaged or destroyed property, the Association shall distribute the proceeds among the Unit Owners and their Mortgagees (as their interests may appear) in the same proportion as their respective undivided interests in the general common elements.

4. Condemnation. In the event of a taking in condemnation by eminent domain of part or all of the common elements, the award made for such taking shall be payable to the Association. If such proceedings are instituted or such acquisition is sought by a condemning authority as to any portion of the property, prompt notice thereof shall be given to the Unit Owners and their Mortgagees. If seventy-five percent (75%) or more of the unit owners duly and promptly approve the repair and restoration of such common elements, the Board of Directors shall arrange for the same, which shall be paid out of the proceeds of the award. In the event seventy-five percent (75%) or more of the unit owners do not duly and promptly approve the repair and restoration of such common elements, the Board of Directors shall disburse the net proceeds of such award to the Unit Owners and their Mortgagees (as their interests may appear) in the same proportions as the respective undivided interests of the Unit Owners in the general common elements.

5. Restrictions and Requirements Respecting Use of Condominium Property by All Unit Owners. The following restrictions and requirements are in addition to all other restrictions and requirements contained in the Declaration and these Bylaws and shall apply to all Unit Owners, including the owners of Units 1 and 2, and their guests and invitees:

(a) Use of common elements. The common elements shall be used for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of the units. The use, operation, and maintenance of the common elements shall not be obstructed, damaged, or unreasonably interfered with by any unit owner.

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(b) Offensive or unlawful activities. No noxious or offensive activities shall be carried on in any unit nor shall anything be done or placed in any unit which interferes with or jeopardizes the enjoyment of other units or the common elements or which is a source of annoyance to residents. Unit occupants shall exercise extreme care not to make noises that may disturb other unit occupants, including the use of musical instruments, radios, television, and amplifiers. No unlawful use shall be made of the Condominium nor any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. Nothing in this paragraph shall be construed so as to prevent the use of Units 1 and 2 nor any lawful purpose consistent with the applicable zoning laws, subject to the limitations expressly stated in Section 7.1 of the Declaration.

(c) Air conditioning units. The electrical wiring in the building is such that it will tolerate only a limited number of air conditioning units. Accordingly, no Unit Owner may add any additional air conditioning unit to his unit without first obtaining the written consent of the Board of Directors or Manager.

(d) Association rules and regulations. In addition, the Board of Directors from time to time may adopt, modify, or revoke such rules and regulations governing the conduct of persons and the operation and the use of the units and common elements as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the condominium property. Such action may be modified by vote of not less than seventy percent (70%) of the Unit Owners present, in person or by proxy, at any meeting, the notice of which shall have stated that such modification or revocation or rules and regulations will be under consideration. A copy of the rules and regulations, upon adoption, and a copy of each amendment, modification, or revocation thereof, shall be delivered by the Secretary promptly to each unit owner and shall be binding upon all unit owners and occupants of all units from the date of delivery; provided, however, that no such rule or regulation shall be applicable to the owners of Units 1 and 2 unless such owners consent in writing to the rule or regulation.

6. Restrictions and Requirements Respecting Use of Condominium Property by the Owners or Residential Units. The following restrictions and requirements are in addition to all other restrictions and requirements contained in the Declaration and these Bylaws and shall apply to all Unit Owners and their guests and invitees, except with respect to the use of Units 1 and 2.

(a) Residential use. No commercial activities of any kind shall be carried on in any such unit or in any other portion of the Condominium without the consent of the Board of Directors of the Association or Manager, except activities relating to the rental or sale of units. This provision, however, shall not be construed so as to prevent or prohibit a Unit Owner from maintaining a professional personal library, keeping personal business or professional records or accounts, handling personal business or professional

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telephone calls, or conferring with business or professional associates, clients, or customers in the owner's unit.

(b) Animals. No animals or fowls shall be raised, kept, or permitted within the Condominium or any part thereof, except domestic dogs, cats, or other household pets kept within a unit. No such dogs, cats, or pets shall be permitted to run at large nor shall be kept, bred, or raised for commercial purposes or in unreasonable numbers. Any inconvenience, damage, or unpleasantness caused by such pets shall be the responsibility of the respective owners thereof. All dogs shall be kept on a leash while outside a unit. A unit owner may be required to remove a pet after receipt of two notices in writing from the Board of Directors of violation of any rule, regulation, or restriction governing pets within the Condominium.

(c) Exterior lighting or noisemaking devices and antennas. Except with the consent of the Board of Directors of the Association or Manager, no exterior lighting or noise making devices shall be installed or maintained on any such unit and no antennas or transmitting towers shall be affixed to the general or limited common elements.

(d) Windows and outside walls. In order to preserve the attractive appearance of the Condominium, the Board of Directors of the Association or the Manager may regulate the nature of items that may be placed in or on windows and the outside walls so as to be visible from other units, the common elements, or outside the Condominium. Garments, rugs, laundry, and other similar items may not be hung from windows or facades.

(e) Leasing and rental of units. Except with the consent of the Board of Directors of the Association or the Manager, no such Unit Owner may lease or rent less than his entire unit and no such Unit Owner may rent his unit for transient or hotel purposes. All such leases or rental shall be by written lease agreement, which shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and these Bylaws, and that any failure by the lessee or tenant to comply with the terms of such documents shall be a default under the lease. Other than the foregoing, there is no restriction on the right of any unit owner to lease or rent his unit.

(f) Signs. Unless written approval is first obtained from the Board of Directors, no sign of any kind shall be displayed to the public view on or from any such unit or the common elements except signs used by the developer to advertise units for sale or lease.

(g) Trash. No part of any unit or any part of the common elements shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste. No garbage, trash, or other waste shall be kept or maintained on any part of the property except in sanitary containers in the designated areas.

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(h) Insurance. Nothing shall be done or kept in any unit or in the common elements that will increase the cost of insurance on the common elements. No owner shall permit anything to be done or kept in their unit or in the common elements that will result in cancellation of insurance on any unit or any part of the common elements.

7. Right of Entry. A Unit Owner shall grant the right of entry to the Board of Directors, Managing Agent, Manager, or any other person authorized by the Board of Directors in the case of any emergency originating in or threatening a unit or other Condominium property, whether or not the owner is present at the time. A Unit Owner shall also permit such person 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 Unit Owner is complying with the restrictions and requirements described in Sections 5 and 6 of this Article, provided that requests for entry are made in advance and such entry is at a time convenient to the Owner. The Owner of any unit adjoining and outside fire escape shall permit access through his unit to the fire escape in the case of an emergency. Any damage caused to the unit in order to obtain emergency access, to the extent not covered by insurance, shall be the responsibility of the person seeking access.

8. Easements for Developer. Developer and its agents, successors, and assigns shall have an easement over and upon the common elements for the purpose of making repairs to existing structures and carrying out sales and rental activities necessary or convenient for the sale or rental of units, including, without limitation, the right to use the units owned by Developer as model units and the right to use a unit as a sales office.

9. Abatement and Enjoining of Violations. The violation of any rule or regulation adopted hereunder or the breach of any bylaw contained herein or of any provision of the Declaration shall give the Board of Directors, acting on behalf of the Association, the right, in addition to any other rights set forth in these Bylaws:

(a) To enter the unit in which or as to which such violation exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty of any manner of trespass; or

(b) To enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

ARTICLE VIII

INSURANCE

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1. Insurance. For the benefit of the Association and the Unit 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:

(a) A policy or policies of insurance covering loss or damage from fire, with extended coverage endorsement, and such other coverages such as flooding, which the Association may deem desirable, for not less than the full insurable replacement value of the units and common elements. Such policy or policies shall name Developer, the Association, and the unit owners as insured, as their interest may appear, and shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees of each unit, if any. In no event shall the policy or policies have a deductible clause in excess of Five Hundred Dollars (\$500) per unit.

(b) A policy or policies insuring the Developer, the Association, the Board of Directors, the Unit Owners, and the Managing Agent, against liability to the public or to the owners of units and of common elements, and their invitees or tenants, incident to the ownership or use of the property. There may be excluded from such policy or policies coverage of a unit owner (other than as a member of the Association or Board of Directors for liability arising out of acts or omission of such Unit Owner and liability incident to the ownership and/or use of the part of the property as to which such Unit Owner has the exclusive use or occupancy. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) on a combined single limit basis. Such policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another names insured; and

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

Each Unit Owner shall be responsible for obtaining, at their own expense, insurance covering their property not insured under paragraph (a) above and against their liability not covered under paragraph (b) above, unless the Association agrees otherwise.

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

(a) All policies shall be written with the State of Oregon or a company licensed to do business in the State of Oregon and holding a commissioner's rating of "A", and a size rating of "AAA", or better by the Best Insurance Reports current at the time the insurance is written or, prior to the initial meeting of the Association, one acceptable to the Developer.

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(b) All losses under policies hereinafter in force regarding the property shall be settled exclusively with the Board of Directors or its authorized representative. Proceeds of the policies shall be paid to the Association as trustees for the Unit Owners, or, upon demand of any mortgagee, to an insurance trustee acceptable to the Association and mortgagees of units.

(c) Each unit owner shall be required to notify the Board of Directors of all improvements made by the Owner to their unit, the value of which is in excess of Five Hundred Dollars (\$500). 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 2.

(d) Any Unit Owner who obtains individual insurance policies covering any portion of the property other than their personal property and fixtures shall file a copy of such individual policy or policies with the Association within thirty (30) days after the purchase of such insurance,

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

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

(b) A provision that the master policy on the Condominium cannot be cancelled, 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 cancelled, 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 from consideration, and a waiver of the usual proration clause with respect to such policies.

(e) A provision that the insurer issue subpolicies specifying the portion of the master policy earmarked for each owner's interest and that until the insurer furnished written notice and a grace period to the Mortgagee insured under the loss payable clause thereof, the Mortgagee's coverage is neither jeopardized by the conduct of the Unit Mortgagor-Owner, the Association, or other Unit Owners nor cancelled for nonpayment of premiums.

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(f) A rider on the master policy patterned after "Use and Occupancy" insurance which will provide relief from monthly assessments while a unit is uninhabitable by the payment of the Condominium expenses thereof and any other fixed costs, including, but not limited to: taxes, rent, insurance, and mortgage payments. The proceeds from any casualty policy, whether held by the Association or a Unit Owner, payable with respect to any loss or damage to the common elements, shall be held in trust for the benefit of all insured as their interest may appear.

(g) A waiver of the insurer's right to determine whether the damage should be repaired. If reasonably available, the policy or policies should contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild.

ARTICLE IX

AMENDMENTS TO BYLAWS

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

2. Adoption. A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the Unit Owners and may be approved by the Unit Owners at a meeting called for that purpose. Unit Owners not present at the meeting considering such amendment may express their approval in writing or by proxy. Any resolution must be approved by seventy-five percent (75%) of the Unit Owners, and by the Developer so long as Developer owns any unit in the Condominium. Developer's consent shall not be required after three years after the recording of the Declaration. Neither Article V, Section 8, nor any other provision of these Bylaws that is for the benefit of Mortgagees may be amended without the written consent of all Mortgagees. No amendment may restrict the permitted uses of Unit 1 or Unit 2 unless such amendment has been approved by the owners of such unit and the holders if any mortgage or trust deed on such unit.

3. Execution and Recording. An amendment shall not be effective until certified by the Chair and Secretary of the Association, approved by the Real Estate Commissioner, and recorded as required by law.

Note: This document includes all amendments and changes and is available in an electronic version. Original documents with separate amendments and dates of approval available for review in the office of the Ambassador Condominium Association.

ARTICLE X

MISCELLANEOUS

1. Notices. All notices to the Association or to the Board of Directors shall be sent care of the Managing Agent, or if there is no Managing Agent, to the principal office of the 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 the Unit Owner from time to time, in writing or by email, to the Board of Directors, or if no address has been designated, then to the owner's unit.

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.

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 (*Bylaws*). As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of references and shall in no way limit any of the provisions of these b Bylaws.

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

5. Conflicts. These Bylaws are intended to comply with the Oregon Unit ownership Law and the Declaration. In case of any irreconcilable conflict, such statute and document shall control over these Bylaws or any rules and regulations adopted hereunder.

DATED, at Portland, Oregon, this 13th day of April 1978.

AMBASSADOR ASSOCIATES,
A partnership

By Byrne Realty Investment Co., Inc.

By (signature unreadable)

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By William W. Rosenfeld, Jr.

STATE OF OREGON

County of Multnomah

We, William E. Rosenfeld, Jr. and George Mead, Jr. hereby certify that we are the duly elected, qualified, and acting chairman (*Chair*) and secretary (*Secretary*), respectively, of the ASSOCIATION OF UNIT OWNERS OF AMBASSADOR CONDOMINIUM and that the within and foregoing is a full, true, and complete copy of the bylaws (*Bylaws*) of said Association, duly adopted on the day of April 13, 1978 by Ambassador Associates.

IN WITNESS WHEREOF, we have hereunto set our official signatures this 13th day of April 1978.

William W. Rosenfeld, Jr., Chairman
(*Chair*)

George Mead, Jr., Secretary

From Multnomah County, Book 1299, pp 28-53

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