

DECLARATION OF PACIFIC MOBILE ESTATES CONDOMINIUM

THIS DECLARATION OF COVENANTS, conditions and restrictions, hereinafter called "The Declaration", is made and executed in Lincoln County, Oregon, this 14th day of August, 1969, by DALE CLINTON GRIER and JOSEPH P. BIRD; WILLIAM M. SHARP and VIRGINIA C. SHARP, their successors, grantees and assigns, hereinafter called "Declarant", pursuant to the provisions of the Oregon Unit Ownership Act;

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of certain real property located in Lincoln County, Oregon, and more particularly described as follows:

Beginning at a 3/4 inch copper pipe marking the center at section 19, T 13 S, R 11 W, W. M., in Waldport, Lincoln County, Oregon; thence S2° 27' W 1320.75 feet along the north south center line of said section 19 to the south 1/16 corner on said north south center line; thence N 86° 41' 30" W 636.63 feet to the true point of beginning; thence N 86° 41' 30" W 246.00 feet; thence N 6° 08' E 550.00 feet, which point is S6° 08' W 112.50 feet from an iron pipe on the southerly right of way of the Alsea Southern Railroad at Engineer Station 40+53; thence N 67° 54' E 225.00 feet; thence N 47° 16' E 283.82 feet to a point on said southerly right of way at Engineer's Station 36+15.7; thence along said right of way on the arc of a 1482.4 feet radius curve left (the long chord of which bears N 59° 52' E 311.68 feet) a distance of 312.19 feet; thence leaving said right of way S 2° 27' W 96.51 feet; thence S 41° 34' E 25.00 feet; thence South 140.00 feet; thence S 28° 00' W 100.00 feet; thence S 35° 31' 30" W 800.38 feet to the true point of beginning; EXCEPTING THEREFROM, the following described tract designated as "A" on the accompanying plat, beginning at the Southwest corner of the above described tract; thence S 86° 41' 30" E 104.50 feet; thence N 21° 05' E 241.69 feet to the true point of beginning of EXCEPTION TRACT "A"; thence N 37° 16' E 80.38 feet; thence N 55° 26' E 51.93 feet; thence N 69° 14' E 64.60 feet; thence N 53° 09' E 78.40 feet; thence N 20° 51' E 27.30 feet to a railroad iron; thence N 71° 40' W 145.50 feet; thence S 64° 45' W 117.80 feet; thence S 31° 46' W 112.87 feet; thence S 23° 27' W 96.40 feet; thence S 89° 55' E 118.2 feet to the true point of beginning. Excoption Tract "A"; also EXCEPTING THEREFROM the following described tract designated

EXCEPTION TRACT "B" on the accompanying plat, beginning at an iron pipe which is N 17° 53' E 40.00 feet from the railroad at the northeast corner of Exception Tract A; thence N 27° 19' E 80.40 feet; thence N 73° 24' W 143.51 feet; thence S 51° 47' W 90.00 feet; thence S 71° 40' E 180.50 feet to the point of beginning of Exception Tract B.

hereinafter referred to as "Property"; and

WHEREAS, Declarant is the owner of a certain condominium mobile home park consisting of 18 spaces plus parking facilities and certain other improvements heretofore constructed upon the aforesaid premises, which property is hereby subjected to the terms and provisions of the Oregon Unit Ownership Act, Oregon Revised Statutes 91.505 to 91.675, and it is the desire and intention of the Declarant to divide the project into units as hereinafter defined, and to sell and convey the same to various purchasers, subject to the covenants, conditions and restrictions herein reserved to be kept and observed; and

WHEREAS, Declarant has filed herewith for record in the office of the County Recorder of Lincoln County, State of Oregon, a certain instrument entitled "Development Plans of Pacific Mobile Estates Condominium", hereinafter referred to as "Plans; and

WHEREAS, Declarant desires and intends, by the filing of this declaration and the aforesaid plans, to submit the above described property and the improvements constructed thereon, together with all appurtenances thereto, to the provisions of the aforescribed act, as a condominium project and to impose upon said property mutually beneficial restrictions under a general plan of improvement for the benefit of all of said condominium units and the owners thereof;

NOW, THEREFORE, the Declarant does hereby publish and declare that all of the property described above is held, and shall be held, used, conveyed, hypothecated, encumbered, leased, rented, occupied and improved, subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominium units and shall be deemed to run with the land and shall be a burden and benefit to Declarant, their successors and assigns, and any person acquiring or owning an interest in the real property and improvements thereon, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. DEFINITIONS

Certain terms as used in this Declaration shall be defined as follows, unless the context clearly indicates a different meaning therefor:

(a) "Declarant" shall mean DALE CLIFTON GRIER, JOE BIRD, WILLIAM M. SHARP and VIRGINIA C. SHARP, who have made and executed this Declaration;

(b) "Declaration" shall mean this instrument by which the Pacific Mobile Estates Condominium is established as provided for under the Oregon Unit Ownership Act;

(c) "Property" shall mean the entire parcel of real property referred to in this Declaration and all improvements, buildings, condominiums, structures, units, easements, rights and appurtenances belonging thereto and located thereon;

(d) "Plans" shall mean the Recorded Plans of Pacific Mobile Estates Condominium;

(e) "Unit" shall mean those areas of the property which are not owned in common with all the owners and are intended for restricted independent use, as shown on the Plans and as described in Section 3A hereof.

(f) "Common Elements" shall mean the general common elements and the limited common elements.

(g) "General Common Elements" shall mean all of the land and all portions of the property not located within any Unit; and also includes, but not by way of limitation, pipes, ducts, conduits, wires and other utility installations, stairways, housekeeping cabinets, walkways, equipment rooms, garage, recreational areas and facilities, all installations of power, lights, water and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use, including the elements described in Section 3C hereof;

(h) "Limited Common Elements" shall mean areas allocated for restricted uses of the respective unit, as further described in Section 3B hereof;

(i) "Condominium" shall mean the entire estate in the real property owned by an Owner, consisting of an undivided interest in the General Common Elements and Limited Common Elements and ownership of a separate interest of a Unit;

(j) "Owner" shall mean the person owning a unit, including any natural person, a corporation, partnership, association, trustee, or other legal entity;

(k) "Board of Directors" shall mean the governing body of the property elected pursuant to Paragraph 2(c) hereof;

(l) "Manager" shall mean the manager, or other person or corporation in charge of the administration or managing of the property;

(m) "Mortgage" shall mean a deed of trust as well as a mortgage;

(n) "Mortgagee" shall mean a beneficiary under a holder of a deed of trust as well as a mortgagee;

(o) "Record" shall mean to file of record with the office of the County Recorder of Lincoln County, State of Oregon;

(p) "Condominium Act" shall mean the Unit Ownership Act of Oregon, ORS 91.505 to 91.675;

(q) "Association" shall mean an association of unit owners under the name of Pacific Mobile Estates Condominium and its successors.

2. ASSOCIATION

The operation of the property shall be by an unincorporated association which shall be organized and shall fulfill its functions pursuant to the following provisions:

(a) **NAME - The name of the Association shall be PACIFIC MOBILE ESTATES CONDOMINIUM.**

(b) **POWERS -** The Association shall have all powers necessary to operate the property and all of the powers and duties set forth in the By-Laws, except as limited by this Declaration.

(c) **BOARD OF DIRECTORS -** The affairs of the Association shall be conducted by a board of five directors who shall be designated and authority granted in the manner provided in the By-Laws.

(d) **BY-LAWS -** The By-Laws of the Association shall be in the form attached hereto as Exhibit "A".

(e) VOTING - at any meeting of the Unit Owners, the owners of each unit, including Declarant, shall be entitled to cast one vote for each individual Unit owned. Any Owner may attend and vote at such meeting in person, or by an agent duly appointed by an instrument in writing signed by the Owner and filed with the Board of Directors or the Manager. Any designation of an agent to act for an Owner may be revoked at any time by written notice to the Board of Directors or Manager and the owner of record shall be entitled to vote until the Board of Directors or Manager has received actual notice of the conveyance by such Owner of his Unit. Where there is more than one record Owner, any or all of such persons may attend any meeting of the Unit Owners, but it shall be necessary for all said record holders of a unit to act unanimously in order to cast the vote to which they are entitled. Any designation of an agent to act for such persons must be signed by all such persons. Declarant shall be entitled to vote with respect to any unit owned by Declarant.

In the event that a notice of default is given to the Association by any mortgagee who holds a mortgage which is a first lien on a condominium unit with respect to the Owner of the unit covered by the mortgage, then and in that event and until the default is cured, the right of the Owner of such unit to vote shall be transferred to the mortgagee giving the notice of default.

(f) MEETINGS - The presence at any meeting of a majority of the holders of voting rights shall constitute a quorum. In the event that a quorum is not present at any meeting, the holders of voting rights present, though less than a quorum, may adjourn the meeting to a later date and give notice thereof to all the Owners in accordance with the provisions of the By-Laws of the Association. Meeting procedure shall be designated in detail by the By-Laws.

3. PROPERTY IMPROVEMENTS

The primary development of this property shall consist of mobile home spaces, walkways, landscaping, parking areas and utilities, all as set forth in the plans.

(a) UNITS. The units shall consist of a parking space on which shall be located a ~~see~~ Mobile Home. Each unit is numbered and located on the "Plans" and Exhibit "B" hereto, which contains a schedule of the unit numbers and percentage of ownership.

(b) LIMITED COMMON ELEMENTS - Each unit shall be allocated a restricted patio area.

(c) GENERAL COMMON ELEMENTS - The general common elements shall include landscaping and all other parts of the condominium not within the unit or included in the limited common elements.

(d) APPURTENANCES TO UNITS - The owner of each unit shall own, in addition to the unit, a share consisting of 5.5555% undivided interest in the common element.

(e) EASEMENTS - Easements are reserved to the Association as now exist or as required hereafter through the units or elements as may be required for utility services in order to adequately serve the property; provided, however, such easement through a unit shall be according to the plans and specifications. In the event the property is destroyed or seriously damaged by some type of casualty, all Owners hereby grant an automatic easement for the reconstruction of the property so that no encroachment will exist between Owners.

4. COMMON EXPENSES: ASSESSMENTS

Within thirty (30) days prior to the beginning of each calendar year, the Board of Directors shall estimate the common expenses and assessments to be paid during such year (including a reasonable provision for contingencies and replacements and less any expected income and any surplus from the prior year's fund). Said "estimated cash requirement" shall be assessed to the Owners pursuant to the percentages set forth in Exhibit "B" hereof.

5. DEFAULT IN PAYMENT OF ASSESSMENTS

Each monthly assessment and each special assessment shall be separate, distinct and a personal debt and obligation of the Owner against whom the same are assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the Owner of any unit, plus interest at seven per cent (7%), and costs, including reasonable attorneys' fees, shall become a lien upon such unit upon recordation of a notice of claim as provided for in ORS 91.580 of the Unit Ownership Act and as further provided in detail by the By-Laws.

6. MORTGAGE PROTECTION

Where the purchaser of a unit obtains title to the unit as a result of foreclosure of a first mortgage, such purchaser, his successors and assigns, shall not be liable for any of the common expenses chargeable to such unit which become due prior to the acquisition of title by such purchaser. Such unpaid share of common expenses shall be a common expense of all of the unit owners, including such purchaser, his successors and assigns.

7. DELEGATION TO MANAGER

The Board of Directors may delegate any of its managerial duties, powers or functions, to any person or firm, to act as Manager of the project, provided that any such delegation shall be revocable upon notice by the Board of Directors. The members of the Board of Directors shall not be liable for any omission or improper exercise by the Manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board of Directors. In the absence of any appointment, the Chairman of the Board of Directors shall act as Manager.

8. EXCLUSIVE OWNERSHIP AND POSSESSION BY OWNER

Each Unit Owner shall be entitled to exclusive ownership and possession of his Unit. Each Unit Owner shall be entitled to an undivided 5.5555% interest in the Common Elements. The undivided interest of each Owner in the Common Elements shall have a permanent character and shall not be altered without the consent of all owners expressed in an amended declaration duly recorded. The percentage of the undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each Owner may use the General and Limited Common Elements in accordance with the purpose for which they were intended, without hindering or encroaching upon the lawful rights of the other Owners.

An Owner shall not be deemed to own the utilities running through his unit which are utilized for or serve more than one unit except an undivided interest with the other owners. An Owner, however, shall be deemed to own and shall have the exclusive

right to paint, repaint, tile, wax, paper or otherwise refinish and redecorate the inner surfaces of the walls, floors, ceilings, windows and doors bounding his Unit.

9. OWNER'S OBLIGATION TO REPAIR

Each Owner shall, at the Owner's expense, keep his unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition to decorating and keeping the Unit in good repair, the Owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heaters, fans, heating equipment, lighting fixtures, fireplaces, refrigerators, dishwashers, disposals or ranges that may be in, or connected with the Unit.

The Owner shall also, at the Owner's expense, keep the storage areas which have been assigned to his Unit in a clean and sanitary condition.

10. PROHIBITION AGAINST STRUCTURAL CHANGES BY OWNER

The 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 other General Common Elements. The owner shall do no act nor any work that will impair the structural soundness or integrity of the buildings or safety of the property or impair any easement or hereditament without the written consent of all Owners. The Owner shall not paint or decorate any portion of the exterior of the buildings or other General Common Elements or any portion of any balcony, patio, or storage area, without first obtaining written consent of the Board of Directors.

11. LIMITATION ON USE OF UNITS AND COMMON ELEMENTS

The Units and Common Elements shall be occupied and used as follows:

(a) The Units are intended for the use of people 40 years old or over, with no children under the age of 18;

(b) There shall be no obstruction of the General Common Elements. Except in the case of designated storage areas, nothing shall be stored in the General Common Elements without the prior consent of the Board of Directors.

(c) Nothing shall be done or kept in any Unit or in the General and Limited Common Elements which will increase the rate of insurance on the property, without the prior written consent of the Board of Directors. No owner shall permit anything to be done or kept in his Unit or in the General Common Elements which will result in the cancellation of insurance on any Unit or any part of the property, or which would be in violation of any law. No waste will be committed in the Common Elements.

(d) No sign of any kind shall be displayed to the public view on or from any Unit or the General Common Elements, without the prior consent of the Board of Directors.

(e) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements, except that dogs, cats or other household pets may be kept in Units, subject to rules and regulations adopted by the Board of Directors;

(f) No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Owners;

(g) Nothing shall be altered or constructed in or removed from the Common Elements except upon the written consent of the Board of Directors;

(h) There shall be no violation of rules for the use of the Common Elements as adopted by the Board of Directors and furnished in writing by the Owners, and the Board of Directors is authorized to adopt such rules;

(i) None of the rights and obligations of the Owners created herein shall be altered in any way by encroachments due to settlement or shifting or rebuilding of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for an encroachment exist which has occurred due to the wilful conduct of said Owner or Owners.

12. ENTRY FOR REPAIRS

The Board of Directors or its agents may enter any Unit when necessary in connection with any maintenance, landscaping or construction for which the Board of Directors is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Board of Directors out of the common expense fund.

13. LIMITATION OF BOARD OF DIRECTORS LIABILITY

The Board of Directors shall not be liable for any failure of any service to be obtained and paid for by the Board of

Directors or for injury or damage to person or property caused by the elements or by another Owner or person in the project or resulting from electricity, water, rain, snow or ice which may leak or flow from outside or from any parts of the buildings, or from any of its pipes, drains, conduits, appliances or equipment, or from any other place unless caused by negligence of the Board of Directors. No diminution or abatement of common expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken to comply with any law, ordinance or orders of a governmental authority. The Board of Directors and Manager shall not be responsible to the Owners for loss or damage by theft or otherwise of articles which may be stored by the Owners on the property or in the Units.

14. INDEMNIFICATION OF BOARD OF DIRECTORS MEMBERS

Each member of the Board of Directors shall be indemnified by the Owners against all expenses and liabilities including attorneys' fees, reasonably incurred or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reasons of his being or having been a member of the Board of Directors, or any settlement thereof, whether or not he is a member of the Board of Directors at the time such expenses are incurred, except in such cases wherein the member of the Board of Directors is adjudged guilty of wilful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Board of Directors

15. SERVICE OF PROCESS

Dr. Dale Clinton Grier of P. O. Box 498, Waldport, Oregon, shall be the person designated to receive service of process for the Condominium.

16. NO PARTITION

There shall be no judicial partition of the project or any part thereof, nor shall Declarant, Owner or any person acquiring any interest in the project or any part thereof seek any such judicial partition, until the happening of the conditions set forth in Paragraph 17 hereof in the case of damage or destruction or unless the property has been removed from the provisions of the Unit Ownership Act.

17. INSURANCE

(a) Title insurance may be carried upon the Property and the property of the Owners.

(b) All other insurance policies on the property shall be purchased by the Owners in such amount and for such risks as the Owner may desire. A master policy shall be obtained by the Association providing for individual certificates of insurance to be issued to each Unit Owner showing the amount of insurance applicable to his respective Unit with an additional provision for loss payable endorsements in favor of mortgagees of such Unit, in such form as may be satisfactory to the mortgagees for the following risks:

(1) Casualty. All buildings and improvements upon the Common Elements and all personal property included in the Common Elements shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association and approved by all mortgagees of the Units. Such coverage shall afford the following types of protection:

(a) Fire and extended coverage. Insurance shall afford protection against loss or damage due to fire or other hazards covered by a standard extended coverage endorsement.

(b) Earthquake. Insurance purchased shall afford protection against loss or damage due to earthquake and optional perils.

(c) Vandalism and Malicious Mischief. All property shall be insured against loss or damage due to vandalism and malicious mischief, if such insurance is deemed practical by the Directors.

(d) Public Liability. Such public liability insurance as the Board of Directors shall determine shall be obtained. On these policies, the individual Unit Owners shall appear as separately stated insureds, as shall the Association.

(e) Other Insurance. Other types of insurance shall include such insurance as the Board may from time to time determine as appropriate. The Board of Directors may obtain, where appropriate, cross-liability endorsements to cover liabilities of Owners as a group to an individual owner.

(c) The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in at least the amounts provided hereinabove, and including insurance for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design and use, which insurance shall be governed by the following provisions.

(1) All policies shall be written with a company licensed to do business in the State of Oregon and holding a rating of "AAA" or better by Best's Insurance Reports;

(2) Exclusive authority to adjust losses under policies hereafter in force or in the project shall be vested in the Board of Directors or its authorized representative, and subject to approval by any mortgagee involved.

(3) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with additional insurance purchased by individual owners or their mortgagees.

(4) Each Owner may obtain additional insurance at his own expense; provided, however, that no Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which may be realized under any insurance policy which the Board of Directors may have in force on the project at any particular time;

(5) The Board of Directors shall be required to 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 Owners and their respective servants, agents and guests;

(b) That the master policy on the project cannot be cancelled, invalidated or suspended on account of the conduct of any one or more individual Owners;

(c) That the master policy on the project cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors or Manager without a prior demand in writing that the Board of Directors or Manager cure the defect;

(d) That any "No other insurance" clause in the master policy exclude individual owners policies from consideration.

(6) The annual insurance review shall include an appraisal of the improvements in the project by a representative of the insurance carrier writing the master policy.

18. PERSONAL PROPERTY

The Board of Directors or Manager may acquire and hold, for the benefit of the Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise; and the beneficial interest in such personal property shall be owned by the Owners in the same proportion as their respective interests in the Common Elements and shall not be transferable except with a transfer of a condominium unit. A transfer of a condominium unit shall transfer to the transferee ownership of the transferor's beneficial interest in such personal property.

Within 30 days following the completion of construction of the project, the Declarant shall execute and deliver a bill of sale to the Board of Directors in behalf of all the Owners, transferring all items of personal property located on the project and furnished by the Declarant, which property is intended for the common use and enjoyment of the Owners.

19. INTERPRETATION

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for

the development and operation of a condominium project, as specified under the Oregon Unit Ownership Act. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

20. AMENDMENT

This Declaration shall not be revoked or any of the provisions herein amended unless all of the owners and the mortgagees of all of the recorded mortgages covering one or more units unanimously agree to such revocation or amendment by duly recorded instruments.

21. SEVERABILITY

The provisions hereof shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

22. EFFECTIVE DATE

This Declaration shall take effect upon recording.

Dale Clinton Grier
Dale Clinton Grier

Joe Bird
Joe Bird

William M. Sharp

STATE OF OREGON,

County of Lincoln

} ss.

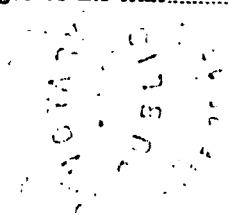
FORM NO. 23 - ACKNOWLEDGMENT
STEVENS-HESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 14th day of August, 19 69, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Dale Clinton Grier, Joe Bird, William M. Sharp and Virginia C. Sharp

known to me to be the identical individual^s described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Greg Jewell Jr
Notary Public for Oregon.
My Commission expires 11-11-79



This declaration is hereby approved upon the date herein after set forth by the county assessor and tax collector of Lincoln County, and taxes upon said property have been paid to the 30 day of June, 1970.

Dated September 4, 1969

Dated _____

Lily Kline Cook
County Assessor

by Wm. Penker, Deputy

Dated Eleanor Dick
Lincoln County Sheriff

Deputy [Signature]

EXHIBIT "A"

BY-LAWS

PACIFIC MOBILE ESTATES CONDOMINIUM

ARTICLE I

Name and Location

These are the By-Laws of PACIFIC MOBILE ESTATES CONDOMINIUM, hereinafter called the Association. The principal office of the Association shall be located at the offices of Dr. Dale C. Grier, DMD, Highway 34 at John Street in Waldport, Oregon.

ARTICLE II

Purposes

This Association is formed under the provision of Section 91.505 to 91.675 of the Revised Statutes of the State of Oregon, known as the Unit Ownership Act, to serve as the means through which the unit owners may express their opinions, wishes, and take action with regard to the internal administration of the Condominium and the property described in the Declaration dated August 14, 1969, which said Declaration is hereby adopted and ratified in full by the Association.

ARTICLE III

Unit Owners

Section 1. Compliance with By-Laws: Each unit owner shall comply with the By-Laws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in the declaration and/or in the deed to his unit. Failure to comply with any of the same shall be grounds for an action to recover sums, for damages or injunctive relief or both, maintainable by the manager or Board of Directors on behalf of the Association, in proper case, by an aggrieved unit owner.

Section II. Place of Meetings: The Association shall hold its meetings at the principal office of the Association or at such place within the County of Lincoln, State of Oregon, as the Board of Directors shall authorize.

Section III. First Formal Organizational Meeting: The first meeting of the unit owners to organize the Association shall be held within thirty days after the "Declarant Sponsor" has recorded the Declaration and issued title to 75% of the unit owners, but not later than December 31, 1969.

Section IV. Annual Meetings: Thereafter, the annual meetings of the Association shall be held at the place designated by the Board of Directors at a date and time selected at the first meeting. At such annual meetings, the unit owners shall elect a Board of Directors of the Association, and may transact such other business as may properly come before the meeting.

Section V. Special Meetings: After the first annual meeting, special meetings of the Association may be called by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from ten (10) percent or more of the unit owners. Such written request shall state the purpose or purposes of the proposed meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

Section VI. Record Date: For the purpose of determining the unit owners entitled to notice of any meeting of the Association, or any adjournment thereof, or for the purpose of any other action, the Board of Directors shall fix in advance, a date as the record date for such determination. Such date shall not be more than thirty or less than ten days before the date of the meeting. If no record date is fixed, then the date shall be determined in accordance with the provisions of law relating thereto.

Section VII. Notices: Notice of meetings of the Association shall be in writing. Notice of the meetings other than the annual meeting shall indicate and state that it is being issued by or at the direction of the person or persons calling the meeting. If delivery is made by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed to each such person at the address given by such person to the Board of Directors or Manager for the purpose of service of such notice or to the Unit of such person if no address has been given to the Manager. Such address may be changed from time to time by notice in writing to the Board of Directors or the Manager.

Section VIII. Waiver of Notice: Notice of meetings need not be given to any unit owner who signs a waiver of notice either in person or by proxy whether before or after the meeting. The attendance of any unit owner at a meeting, in person or by proxy without protesting, prior to the conclusion of the meeting the lack of proper notice of such meeting, shall constitute a waiver of notice of the meeting by him.

Section IX. Quorum of Unit Owners: The presence at any meeting of a majority of the Unit Owners shall constitute a quorum. In the event that a quorum is not present at any meeting, the Owners present, though less than a quorum, may adjourn the meeting to a later date and give notice thereof to all the Owners in accordance with the provisions hereof, and at that meeting in the presence of Owners holding in excess of thirty per cent of the total votes shall constitute a quorum for the transaction of business; but in the event a quorum is not present at that meeting, the Owners present, though less than a quorum, may give notice to all the Owners in accordance with the provisions

hereof, and, at that meeting, whatever Owners are present shall constitute a quorum.

Section X. Voting: At any meeting of the Association, each Unit Owner shall be entitled to cast one vote for each individual Unit owned. Any Owner may attend and vote at such meeting in person, or by an agent duly appointed by an instrument in writing signed by the Owner and filed with the Board of Directors or the Manager. Any designation of an agent to act for an Owner may be revoked at any time by written notice to the Board of Directors or Manager, and shall be deemed revoked when the Board of Directors or the Manager shall receive actual notice of the death or judicially declared incompetence of such Owner or of the conveyance by such Owner of his condominium. Where there is more than one record Owner, any or all of such persons may attend any meeting of the Owners, but it shall be necessary for those present to act unanimously in order to cast the votes to which they are entitled. Any designation of an agent to act for such persons must be signed by all such persons. Association shall be entitled to vote with respect to any condominium owned by the Association.

In the event that an order of default is recorded by any mortgagee who holds a mortgage which is a first lien on a condominium against the Owner of the condominium covered by the mortgage, then and in that event and until the default is cured, the right of the Owner of such condominium to vote shall be transferred to the mortgagee recording the order of default.

Section XI. Written Consent of Unit Owners; Approval or Disapproval: Any action that may be taken by a vote may be taken without a meeting on written consent duly acknowledged setting forth the action so taken or to be taken of the unit owners holding the majority of the units entitled to vote thereon in accordance with Section IX hereof. Approval or disapproval of a unit owner on any matter whether or not the subject of a

meeting shall be by the person holding title to the unit as reflected on the books of the Condominium at the time of the execution of the instrument.

Section XII. Order of Business: The order of business at the annual meeting of the Association shall be:

- (a) Calling the roll and certifying proxies
- (b) Proof of notice of meeting or certificate as to waivers
- (c) Reports of the Board of Directors of the Condominium
- (d) Reports of Committees
- (e) Selection and appointment of inspectors of election
- (f) Election of Board of Directors
- (g) Unfinished Business
- (h) New Business
- (i) Adjournment

Section XIII. The order of business at all other meetings of the Association shall as far as practical conform to the order of business at the annual meeting insofar as the special purpose of the meeting will permit.

ARTICLE IV

The Board of Directors

Section I. Membership: The Board of Directors shall consist of five members, two of whom shall be appointed by the Association and three of whom shall be elected by the sponsors for so long as the sponsor owns ten (10%) percent of the aggregate unit space.

Section II. Election: At each annual meeting, the candidates receiving a plurality of votes cast for the office shall be declared elected for the forthcoming year; provided, however, that the Sponsors representatives on the Board of Directors elected hereunder may be elected at a special meeting duly called, said representatives to serve until the first annual meeting held thereafter.

Section III. Term: Members of the Board of Directors shall serve for a term of one year; the members of the Board of Directors shall serve until their respective successors are

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elected, or until their death, resignation or removal; provided that if any member other than those elected by sponsors ceases to be an Owner, his membership on the Board of Directors shall thereupon terminate.

Section IV. Resignation and Removal: Any member may resign at any time by giving written notice to the Manager, and any member may be removed from membership on the Board of Directors by vote of the Owners.

Section V. Proceedings: Three (3) members of the Board of Directors shall constitute a quorum and, if a quorum is present, the decision of a majority of those present shall be the act of the Board of Directors. The Board of Directors shall elect a chairman, who shall preside over its meeting, and a secretary and treasurer. Meetings of the Board of Directors may be called, held and conducted in accordance with such regulations as the Board of Directors may adopt. The Board of Directors may also act without a meeting by unanimous written consent of its members.

Section VI. Notice of Election: After the first election of the Board of Directors, Association shall execute, acknowledge and record an affidavit stating the names of all of the members of the Board of Directors. The most recently recorded of such affidavits shall be prima facie evidence that the persons named therein are all of the incumbent members of the Board of Directors and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

Section VII. Action of the Board: A quorum being present, a vote of the majority of those present shall constitute the action of the Board except as to those matters where the law and declaration require a difference in majority.

Section VIII. Vacancies in the Board: Vacancies on the Board may be filled until the date of the next annual meeting of the unit owners by the remaining members of the Board where the period between such appointment and the date of the annual meeting is three months or less. Where the period remaining before the date of the annual meeting is more than three months, a special meeting of the unit owners is required to fill the vacancy. The Board of Directors shall not fill a vacancy in the Board unless such appointment is required by law or the declaration to properly function as a Board.

Section IX. Authority of the Board: The Board of Directors, for the benefit of the condominium and the Association, shall enforce the provisions hereof; the Board of Directors shall acquire and shall pay for, out of the common expense fund hereinafter provided for, the following:

1. Water, sewer, garbage collection, snow removal, electrical and other necessary utility services for the General and Limited Common Elements which are not separately billed to the unit owners;

2. A policy or policies of fire insurance with extended coverage endorsement, for the full insurable replacement value of General and Limited Common Elements, or such other fire and casualty insurance as the Board of Directors shall determine gives substantially equal or greater protection to the Owners, and their mortgagees, as their respective interests may appear, which said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees of each condominium, if any;

3. A policy or policies insuring the Board of Directors, the Owners and the Manager against any liability to

the public or to the Owners (of Units and of the Common Area, and their invitees, or tenants), incident to the ownership and/or use of the project, and including the personal liability exposure of the Owners. Limits of liability under such insurance shall not be less than Three Hundred Thousand Dollars (\$300,000.00) for any one person injured for one accident and shall not be less than One Hundred Thousand Dollars (\$100,000.00) for property damage each occurrence (such limits and coverage to be reviewed at least annually by the Board of Directors and increased in its discretion). Said 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 named insured;

4. Workmen's compensation insurance to the extent necessary to comply with any applicable laws;

5. The services of a person^{or}/corporation to manage its affairs (herein called the "Manager") to the extent deemed advisable by the Board of Directors as well as such other personnel as the Board of Directors shall determine shall be necessary or proper for the operation of the General Common Elements, whether such personnel are employed directly by the Board of Directors or are furnished by the Manager;

6. Legal and accounting services necessary or proper in the operation of the Condominium or the enforcement of the Condominium documents;

7. A fidelity bond naming the Manager, and such other persons as may be designated by the Board of Directors as principals and the Owners as obligees, and for each year in an

amount at least equal to twenty-five percent (25%) of the total sum collected through the common expense fund;

8. Painting, maintenance, repair and all landscaping of the General Common Elements, and such furnishings and equipment for the General Common Elements as the Board of Directors shall determine are necessary and proper;

9. Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board of Directors is required to secure or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the operation of the General Common Elements and Limited Common Elements or for the enforcement of this Declaration, provided that if any such materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for particular Units, the cost thereof shall be specially assessed to the Owners of such Units;

10. The Board of Directors' power hereinabove enumerated shall be limited in that the Board of Directors shall have no authority to acquire and pay for out of the common expense fund capital additions and improvements (other than for purposes of replacing portions of the General Common Elements, subject to all the provisions of this Declaration) having a cost in excess of Three Thousand Dollars (\$3,000.00).

Powers and Duties of the Board: The Board may exercise all of the powers and duties granted to it under the Condominium documents and said Board shall have power:

1. To make, levy and assess common expenses against the unit owners and to use the same in the exercise of its power and duties;

2. To maintain, repair, replace and operate the Condominium property and in case of casualty to reconstruct and re-establish the property and to make improvements thereon;

3. To contract for the management of the property;

4. To make or amend rules and regulations respecting the use and operation of the property but not inconsistent with the Declaration;

5. To purchase either at foreclosure sale or from a defaulting unit owner in lieu thereof and to hold, mortgage or lease any unit, and to assess a reasonable rental against a unit owner during a foreclosure proceeding or redemption period;

6. To accept a deed from a unit owner who desires to relieve himself from the payment of future common charges;

7. To take possession of any abandoned unit to prevent damage to the other units or to the common elements;

8. To hire and discharge persons employed for the operation of the property on such terms and conditions as the Board in its sole discretion may deem advisable;

9. To do any and all things which prudent operation of the Condominium would require.

ARTICLE V

Officers

Section I. At the annual meeting of the Board of Directors of the Condominium there shall be elected a Chairman, Secretary and Treasurer. These officers shall all serve for a term of one year, and they shall be members of the Board of Directors.

Section II. Chairman: Shall be the Chief Executive officer of the Condominium and he shall have all of the powers and duties usually vested, including the power to appoint committees as he may, with the consent of the Board, deem appropriate.

He shall exercise such other powers and duties as shall be prescribed by the Board. He shall see that orders and resolutions of the Board shall be carried into effect.

Section III. Secretary: The Secretary shall keep a record of all actions of the Board and all meetings of the unit owners. He shall attend to the giving of all notices of the unit owners and/or Directors and shall supervise the service thereof. He shall prepare and have available at each meeting of the unit owners a statement of their common interest and shall certify which of them are entitled to vote. He shall perform all other duties incident to the office of Secretary of the Condominium as may be required by the Chairman or the Board.

Section IV. Treasurer: The Treasurer shall keep the financial records of the Condominium and shall keep books of account and shall have custody of all the common property of the Condominium including all funds, securities and evidences of indebtedness. He shall keep the assessment roll and the accounts of the unit owners. He shall perform all other duties incident to the accounts of the unit owners. He shall perform all other duties incident to a Treasurer of a Condominium as prescribed by the Board. He shall deposit all moneys and other valuables in the name of and to the credit of the Condominium in such depositories as shall be designated by the Board. He shall disburse the funds of the Condominium as may be ordered and authorized by the Board and shall preserve proper vouchers for such disbursements. He shall render an annual report at the annual meeting of the unit owners. The Treasurer and the Chairman shall as prescribed by the Board, report on the operation of the Condominium property and the payment of common expenses and the determination and collection of the common charges.

Section V. Compensation: The compensation of all officers of the Condominium shall be fixed by the Board. This provision shall not preclude the Board from employing a manager as an employee of the Condominium nor preclude the contracting with him for his service.

Section VI. All employees as such of the Condominium may be removed peremptorily by the Board.

ARTICLE VI

Fiscal Management

Section I. The provisions for fiscal management of the Condominium as set forth in the Declaration shall be supplemented as follows:

A. The assessment roll shall be maintained in a set of accounting books duly approved by a certified public accountant 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 amount paid upon the account and the balance due on the assessments. In making up the assessment roll the unit is treated as such and no division shall be made because the unit is held by more than one person.

1. Common expense budget:

- a. Maintenance and operation of common elements, landscaping, streets, walkways, parking spaces.
- b. Utility services
- c. Casualty insurance
- d. Liability insurance
- e. Administration
- f. Reserves
- g. Any other item which the Board finds necessary to include therein.

2. The proposed assessment against each unit owner.

Section II. Copies of the proposed budget and proposed assessments shall be transmitted to each member at least thirty days before the beginning of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned.

Section III. The depository of the Condominium shall be such bank or banks as shall be designated from time to time by the Board. The moneys of the Condominium shall be deposited therein. Withdrawal of moneys from such accounts shall be only by checks signed by each persons as are authorized by the Board of Directors.

Section IV. An audit of the accounts of the Condominium shall be made annually by a certified public accountant and a copy of the report shall be furnished to each member not later than ninety days after the end of the year for which the report is made.

ARTICLE VII

Common Expenses: Assessments

The first of each calendar year each owner shall be assessed pursuant to the number of units owned. Association will be liable for the amount of any assessment against completed units owned by Association. If said sum estimated proves inadequate for any reason, including nonpayment of any Owner's assessments, the Board of Directors may at any time levy a further assessment, which shall be assessed to the Owners in

like proportions, unless otherwise provided herein. Each Owner shall be obligated to pay assessments made pursuant to this paragraph to the Board of Directors in equal monthly installments on or before the first day of each month during such year, or in such other reasonable manner as the Board of Directors shall designate;

The omission by the Board of Directors, before the expiration of any year, to fix the assessments hereunder for that or the next year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owner from the obligation to pay the assessments, or any installment thereof, for that or any subsequent year, but the assessment fixed for the preceding year shall continue until a new assessment is fixed. Amendments to this paragraph shall be effective only upon unanimous written consent of the Owners and their mortgagees. No Owner may exempt himself from liability for his contribution towards the common expenses by waiver of the uses or enjoyment of any of the Common Area or by abandonment of his Unit;

The Manager or Board of Directors shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the General Common Elements and Limited Common Elements, specifying and itemizing the maintenance and repair expenses of the General Common Elements and Limited Common Elements and any other expenses incurred. Records and vouchers authorizing the payments involved shall be available for examination by the Owner at convenient hours of week days.

ARTICLE VIII

Default in Payment of Assessments

Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the

Owner against whom the same are assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. The amount of any assessment, whether regular or special, assessed to the Owner of any condominium plus interest at seven percent (7%), and costs, including reasonable attorneys' fees, shall become a lien upon such condominium upon recordation of a notice of claim as provided in ORS 91.580 of the Condominium Act. The said lien for nonpayment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only Tax Assessment liens, and a first mortgage or trust deed of record.

A claim executed and acknowledged by a majority of the Board of Directors stating the indebtedness upon any condominium created hereunder, shall be conclusive upon the Board of Directors and the Owners as to the amount of such indebtedness on the date of the certificate, in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or any other person requesting such certificate upon request at a reasonable fee, not to exceed Ten Dollars (\$10.00).

Upon payment or other satisfaction of a delinquent assessment concerning which such a certificate has been filed, the Board of Directors shall cause to be recorded in the same manner as the certificate of indebtedness a further certificate stating the satisfaction and the release of said indebtedness.

In case of foreclosure, the Owner shall be required to pay a reasonable rental for the condominium and the Plaintiff in the foreclosure suit shall be entitled to the appointment of a

receiver to collect the rental without regard to the value of the mortgage security. The Board of Directors or Manager shall have the power to bid in the condominium at foreclosure or other sale and to hold, lease, mortgage and convey the condominium.

ARTICLE IX

Amendments

Section I. Amendments to the By-Laws shall be proposed by either a majority of the Board or by thirty (30%) percent of the unit owners of the Condominium. The proposed amendment must be reduced to writing and must be accompanied by the consent of the holders of first mortgages, if any, on the units and by an opinion of legal counsel that the amendment is permitted under the Declaration. It shall be included in the notice of any meeting at which action is to be taken thereon.

Section II. A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the unit owners and approved by the unit owners at a meeting called for this purpose. Unit owners not present at a meeting considering such amendment may express their approval in writing or by proxy. Such approvals must be by seventy-five (75%) percent of the unit owners who in the aggregate own not less than seventy-five (75%) percent of the common interest.

Section III. An amendment when adopted shall become effective only after being recorded with the recording officer in the same place where the Condominium documents are recorded, and certified to by the Chairman and Secretary of the Association.

ARTICLE X

Fiscal Year

The fiscal year shall begin on the 1st day of January in each year or as the Board of Directors shall establish.

ARTICLE XI

Execution of Instruments

All instruments of the Condominium shall be signed, executed and acknowledged under seal by such officer or officers as the Board of Directors shall designate.

These By-Laws have been duly proposed by the Association and these By-Laws will be presented to the Board of Directors to be placed in operation at its first meeting.

Secretary

EXHIBIT "B"

PACIFIC MOBILE ESTATES CONDOMINIUM

<u>Unit Number</u>	<u>Percentage</u>
1	5.5555%
2	"
3	"
4	"
5	5.5555%
6	"
7	"
8	"
9	"
10	5.5555%
11	"
12	"
13	"
14	"
15	5.5555%
16	"
17	"
18	"

