

EXHIBIT "C"

BYLAWS

OF

BOOK 474 PAGE 369

PORT WARREN

WHEREAS PORT WARREN, INC., an Oregon corporation, here-
in called "Developer," is the owner of the real property hereinafter
described; and

WHEREAS Developer has executed a Declaration submitting
said real property, together with all improvements constructed
thereon, to the provisions, restrictions, and limitations of the
Oregon Unit Ownership Law, ORS 91.505 through ORS 91.675;

NOW, THEREFORE, Developer approves and adopts these By-
laws and annexes the same to the Declaration, which Bylaws, Declara-
tion and Administrative Rules and Regulations shall govern the
operation of the property. These Bylaws shall run with the land
and shall be binding on and for the benefit of Developer, acting
as the present Association of Unit Owners, and its successors and
assigns, and on all subsequent unit owners, and their mortgagees,
tenants, occupants, employees, and others who may use the property.

1. DEFINITIONS.

As used in the Bylaws, the term

A. "Association" means the Association of Unit Owners
of Port Warren.

B. "Majority of the unit owners" means the owners of
more than 50 percent in the aggregate of the undivided ownership
interests in the general common elements as the percentage of in-
terest in such element appertaining to each unit is expressed in
the Declaration. Whenever a percentage of the unit owners is
specified, percentage means such percentage in the aggregate of
such undivided ownership.

2. DESCRIPTION OF REAL PROPERTY.

The description of the real property which these Bylaws
govern is:

Approximately 3.48 acres of land described by Survey No.
83 of that property described in Book 196, Records of
Deeds, Clatsop County, Oregon, Sections 15 and 18, Town-
ship 8 North, Range 10 West of the Willamette Meridian.
Dated January 29, 1973, by Carl F. Foeste as follows:

Tract C, excepting that portion sold to Warrenton Deep Sea, Inc., recorded in Book 389, page 266.

and

Tract A south of 30 foot wide easement except portion sold to Warrenton Lumber Co. by Deed, recorded in Book 390, page 685.

3. OFFICE.

The office will be located at 10245 S. W. Parkway, Portland, Oregon, or at such place as the board of directors may designate.

4. UNIT OWNERS' ANNUAL MEETING.

The first annual meeting of the Association shall be held as soon as practicable on the completion of the project, upon call of Developer, for the purpose of electing a board of directors. Thereafter, the annual meetings of the Association shall be held on the third Saturday in July of each year. At such meetings, the Association shall, by ballot, elect directors and transact such other business as may come before the meeting. If the election of directors shall not be held on the date designated herein for any annual meeting of the unit owners or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the Association as soon thereafter as conveniently may be, not more than 60 days after said time, by proper notice designating the meeting as the annual meeting.

5. SPECIAL MEETINGS.

Special meetings of the Association for any purpose or purposes may be called by the Chairman or by a majority of the board of directors and shall be called by the Chairman at the request of not less than 20 percent of the unit owners entitled to vote at the meeting.

6. PLACE OF MEETING.

The office of the Association or such other place as the board of directors may designate shall be the place of meeting for all annual and special meetings of the unit owners.

7. NOTICE OF MEETING.

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Written or printed notice stating the place, date, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the discretion of the Chairman, the Secretary, or the officer or persons calling the meeting, to each unit owner entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the unit owner at his last known address on the records of the Association, with postage thereon prepaid.

8. QUORUM AND VOTING OF UNIT OWNERS.

At any meeting of the Association, unit owners owing more than 50 percent of the general common elements, according to the recorded Declaration of Port Warren, present in person or by proxy, shall constitute a quorum; and the concurring vote of a majority of such unit owners present and constituting a quorum shall be valid and binding upon the Association, except as otherwise provided by law, these Bylaws, or the Declaration. If less than 50 percent of the general common elements, according to the recorded Declaration of Port Warren, are represented at a meeting, a majority of the unit owners so represented may adjourn a meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noted. The unit owners present at a duly organized meeting may continue to transact business until adjournment, notwithstanding withdrawals of enough unit owners to leave less than a quorum. Developer shall be the voting owner with respect to any unit owned by the Developer.

The total number of votes of all voting owners within the project shall be 100, and the vote of each voting owner, including Developer, should it be an owner, shall be equal to the percentage of the general common element owned or represented by

such voting owner in the project, as set forth in the Declaration. If a voting owner owns or represents more than one unit, he shall have votes corresponding with each unit which he owns or represents. In the event the owner or owners have pledged their votes regarding special matters to a mortgagee under a duly recorded mortgage and notice thereof has been given to the Secretary or Manager of the Association, only the vote of the mortgagee will be recognized in regard to the special matters upon which the votes are so pledged.

An administrator, executor, 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 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 unit in such capacity. Whenever any unit is owned by two or more jointly, according to the records of the Association, a vote thereof may be exercised by any one of the owners then present, in the absence of protest by a co-owner. In the event of protest by a co-owner, the vote shall be divided by the number of co-owners, and each co-owner shall cast an equal fractional vote.

9. PROXIES.

At all meetings of the unit owners, a unit owner may vote by proxy executed in writing by the unit owner or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting.

10. INFORMAL ACTION BY UNIT OWNERS.

Any action required to be taken at a meeting of the unit owners entitled to vote with respect to the subject matter thereof.

11. BOARD OF DIRECTORS.

A. General Powers.

The business and affairs of the Association shall be managed by its board of directors, who shall be unit owners. The

number of directors of the Association shall be five. Each director shall hold office for a term of three years expiring on the date of the third annual meeting of unit owners following his election and upon the election and qualification of his successor; provided, however, that one member of the initial board of directors shall be elected for a term of one year and two members of the initial board of directors shall be elected for a term of two years. As long as Developer owns a unit, Developer shall be entitled to appoint one member of the board of directors.

B. Regular Meetings.

A regular meeting of the board of directors shall be held without notice other than this Bylaw immediately after and at the same place as the annual meeting of unit owners. The board of directors may provide by resolution the time and place for the holding of additional regular meetings without notice other than such resolution. The initial organization meeting shall be held immediately following the initial meeting of the Association. Until the initial meeting of the board, its rights, duties and functions shall be exercised by Developer.

C. Special Meetings.

Special meetings of the board of directors may be called by or at the request of the Chairman of the board of directors or any two directors. The person or persons authorized to call special meetings of the board of directors may fix the place for holding any special meeting called by them.

D. Notice of Special Meetings.

Notice of any special meeting shall be given at least 72 hours previous thereto by written notice delivered personally or mailed to each director at his residence or business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall

constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because a meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

E. Quorum of Directors.

A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the board of directors; but, if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. Each director shall have one vote.

F. Manner of Directors Acting.

The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

G. Vacancies on Board of Directors.

Any vacancy occurring on the board of directors may be filled by the affirmative vote of a majority of the remaining directors by not less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors or by reason of the removal of one or more directors shall be filled by election at an annual meeting or at a special meeting of the unit owners called for that purpose.

H. Presumption of Assent.

A director who is present at a meeting of the board of directors at which action on any matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall

forward such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

I. Removal of Directors.

All or any number of the directors may be removed with or without cause at a meeting expressly called for that purpose by a vote of a majority of the unit owners then entitled to a vote at an election of directors. Any director who ceases to be a unit owner shall cease to be a director.

J. Reimbursement of Directors.

The directors shall be reimbursed for their reasonable expenses related to attendance at meetings of the directors.

K. Directors to Engage Manager.

The board of directors shall retain the services of an individual or a firm to act as Manager or Managing Agent and may employ, or instruct such Manager or Managing Agent to employ, such other persons as may be necessary from time to time for the maintenance, upkeep, and repair of the common elements. The board of directors shall determine the compensation to be paid to such Manager or Managing Agent and to such other personnel, and such compensation shall constitute a common expense.

L. Directors to Adopt Administrative Rules and Regulations.

The administrative rules and regulations shall be adopted by Developer and shall be binding as though they are a part hereof.

The board of directors shall have the power to amend such administrative rules and regulations as may be necessary or desirable to govern the details of the operation and use of the units and common elements, including such rules as are desirable to prevent unreasonable interference with the use of their respective units and of the common elements by the several unit owners.

12. OFFICERS.

A. Number.

The officers of the Association shall be a Chairman, a Secretary, and a Treasurer, each of whom shall be elected by the

board of directors. No two offices may be held by the same person.

B. Election and Term of Office.

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

C. Removal.

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

D. Vacancies.

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

E. Chairman.

The Chairman shall, when present, preside at all meetings of the unit owners and the board of directors and shall perform all duties incident to such office and such other duties as may be prescribed by the board of directors from time to time. He shall be the principal executive officer of the Association and subject to the control of the board of directors. He shall, in general, supervise and control all of the business and affairs of the Association and sign with the Secretary, or any other proper officer of the Association authorized by the board of directors, any deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed.

F. Secretary.

The Secretary shall (a) keep the minutes of the meetings of unit owners and the board of directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law; (c) be custodian of the Association records; and (d) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Chairman of the board of directors.

G. Treasurer.

The Treasurer shall (a) have charge and custody of and be responsible for all funds of the Association; (b) receive and give receipts for moneys due and payable to the Association from any source whatsoever; (c) deposit all moneys in the name of the Association in such banks, trust companies, or other depositories as shall be selected by the board of directors; and (d) in general, perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the Chairman or by the board of directors.

13. FIDELITY BONDS.

The board of directors shall require that all officers, employees, and agents of the Association handling or responsible for its funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be common expenses.

14. AUDIT.

The board of directors may appoint a certified public accountant or certified public accounting firm as auditor, who shall not be an officer of the Association or own any interest in any unit, to audit the books and financial records of the Association.

15. CONTRACTS.

The board of directors may authorize any officer or director, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association; and such authority may be general or confined to specific instances. The board shall have the right to make

additions, alterations, or improvements to the common elements and to pay for the same out of the reserve fund established by the board, or to specifically assess the several units therefor as a common expense.

16. LOANS.

No loan shall be contracted on behalf of the Association, and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors and approved by the affirmative vote of the owners of 75 percent of the general common elements. Such authority may be general or confined to specific instances.

17. CHECKS, DRAFTS, VOUCHERS, ETC.

All checks, drafts, vouchers, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, of the Association and in such manner as shall from time to time be determined by the resolution of the board of directors.

18. DEPOSITS.

All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, savings and loan associations, or other depositories as the board of directors may select. All reserves to cover the cost of capital expenditures shall be kept in a separate bank account and shall not be commingled with the general operating funds of the Association.

19. COMMON EXPENSES.

The owner of each unit shall be liable for and pay a share of the common expenses in proportion to his interest in the general common elements appurtenant to his unit. Common expenses shall include the cost of all utilities, except for the cost of utilities which are billed by the provider of the utility services directly to the individual owners, assessments, insurance, including fire and other casualty and liability insurance, cost of repair,

reinstatement, rebuilding, or replacement of the premises, yard, janitorial, and other similar services, wages, accounting and legal fees, management fees, and other necessary expenses of upkeep, maintenance, management, and operation actually incurred on or for the common elements. Common expenses shall also include such amounts as the board of directors may deem proper to make up any deficit in the common expenses of any prior year and a replacement-reserve fund to meet anticipated needs, if any, for working capital and for nonrecurrent replacements, repairs, and contingencies, and for such rehabilitation and modernization of buildings as may be required.

The owner of each unit shall be liable for and pay a share of the cost of maintenance of the limited common elements in proportion to his interest in the limited common elements appurtenant to his unit.

20. COLLECTING UNIT OWNERS' SHARES OF COMMON EXPENSES.

Unit owners' shares of common expenses shall be collected monthly, in advance, by the Treasurer of the Association. Each unit owner shall be entitled to receive from the Treasurer at the time of payment of common expenses an itemized statement of common expenses. Such itemized statement shall be prepared in such manner as the board of directors shall determine.

21. INSURANCE.

Public liability insurance and replacement cost fire insurance, with extended coverage on the buildings and the project, naming each unit owner as an insured, shall be obtained by the Manager from time to time in such amounts as the board of directors by resolution shall deem necessary. The board shall review annually the value of the policy, so that the insurance will reflect current construction costs. The board may also procure insurance against such additional risks as the board may deem advisable for the protection of the unit owners.

22. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Each director and officer of the Association now or hereafter in office, and his heirs, executors and administrators,

shall be indemnified by the Association against all costs, expenses, amounts or liability therefor, including counsel fees, which are reasonably incurred by or imposed upon him in connection with or resulting from any action, suit, proceeding, or claim to which he may be made a party, or in which he may be or become involved by reason of his acts or alleged acts of omission or commission as such director or officer, or subject to the provisions hereof, or any settlement thereof, whether or not he continues to be such director or officer at the time of incurring such costs, expenses, or amounts. Such indemnification shall not apply, however, with respect to any matter as to which such director or officer shall be finally adjudged in such action, suit or proceedings to have been individually guilty of willful misfeasance or malfeasance in the performance of his duties as such director or officer. Further, the indemnification herein provided shall, with respect to any settlement of any such suit, action, proceeding or claim, include reimbursement of any amounts paid and expenses reasonably incurred in settling any such suit, action, proceeding or claim when, in the judgment of the board of directors, a settlement or reimbursement appears to be to the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of any and all other rights as to which any such director or officer may be entitled under any agreement, vote of unit owners, or otherwise.

23. REPAIR AND MAINTENANCE OF UNITS.

Every unit owner shall at all times keep his unit in good order and repair and shall promptly perform all such work within his unit, the omission of which would affect any common elements or other units, and shall be responsible for all loss and damage caused by his failure to do so.

All repairs of internal installations within each unit, such as water, light, gas, power, sewage, telephones, sanitation, doors, windows, lamps and all other fixtures and accessories belonging to such unit, including interior walls and partitions

and the innerdecorated or finished surfaces of the perimeter walls, floors and ceilings of such unit, and the interior surfaces of any adjacent limited common element appurtenant to such unit shall be at the unit owner's expense.

Every unit owner shall reimburse the Association for any expenditure incurred in repairing or replacing any common element or furniture, furnishings, and equipment thereof damaged or lost through the fault of such unit owner or any person using the project under him and shall give prompt notice to the managing agent of any such damage, loss or other defect when discovered.

24. MORTGAGEES.

A. Notice to Association.

Any unit owner who mortgages his interest in a unit shall notify the Association, through the managing agent, of the name and address of his mortgagee, and the Secretary shall maintain such information in the record of ownership of the Association.

B. Notice of Unpaid Assessments.

The managing agent or board of directors, at the request of any mortgagee or prospective purchaser of any unit or interest therein, shall report to such person the amount of any unpaid assessments due from the owner of such unit.

25. COLLECTION OF RENT.

In any foreclosure suit against a unit, the unit owner shall be required to pay a reasonable rental for the unit and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the rent.

26. COMPLIANCE.

A. Subordination.

These Bylaws are subordinate and subject to the provisions of the Declaration and all amendments thereto and said Oregon Unit Ownership Law; and in case of any conflict the latter shall control. All terms herein (except where clearly repugnant to the context) shall have the same meaning as in the Declaration or said Oregon Unit Ownership Law.

B. Interpretation.

In case any provision of these Bylaws shall be held

