

Contents

CONDOMINIUM BYLAWS

ARTICLE I - PLAN OF UNIT OWNERSHIP

- Section 1. Unit Ownership
- Section 2. Bylaws Applicability
- Section 3. Personal Application

ARTICLE II - ASSOCIATION MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

- Section 1. Membership in the Association
- Section 2. Voting
- Section 3. Majority of Owners
- Section 4. Quorum
- Section 5. Proxies
- Section 6. Authority to Vote
- Section 7. Fiduciaries and Joint Owners

ARTICLE III - ADMINISTRATION

- Section 1. Association Responsibilities
- Section 2. Place of Meetings
- Section 3. Initial and Special Organizational Meetings
- Section 4. Annual Meetings
- Section 5. Special Meetings
- Section 6. Notice of Meetings
- Section 7. Adjourned Meetings
- Section 8. Order of Business

ARTICLE IV - BOARD OF DIRECTORS

- Section 1. Number and Qualification
- Section 2. Powers and Duties
- Section 3. Other Duties
- Section 4. Management Agent
- Section 5. Interim Directors
- Section 6. Election and Term of Office
- Section 7. Vacancies
- Section 8. Removal of Directors

-i-

22

RECEIVED  
MAR 17 1980  
REC'D  
MAR 17 1980  
REC'D

HILLSBORO

March 24, 1980

- Section 9. Organizational Meeting
- Section 10. Regular Meetings
- Section 11. Special Meetings
- Section 12. Waiver of Notice to Directors
- Section 13. Board of Directors' Quorum
- Section 14. Board of Directors Meetings  
Open to All Association  
Members
- Section 15. Notice to Association Members  
of Board of Directors Meetings
- Section 16. Telephonic Meetings
- Section 17. Compensation of Directors

ARTICLE V - OFFICERS

- Section 1. Designation
- Section 2. Election of Officers
- Section 3. Removal of Officers
- Section 4. Chairman
- Section 5. Secretary
- Section 6. Treasurer
- Section 7. Directors as Officers

ARTICLE VI - OBLIGATIONS OF THE OWNERS

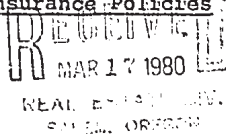
- Section 1. Assessments
- Section 2. Initial Assessment
- Section 3. Initial Assessments of Units in  
Stages 2 through 5
- Section 4. Payment of Assessments
- Section 5. Budget
- Section 6. Default
- Section 7. Maintenance and Repair
- Section 8. Use of Units - Internal Changes
- Section 9. Use of the Common Elements
- Section 10. Right of Entry
- Section 11. Rules of Conduct
- Section 12. Use Restriction Contained in  
Declaration

ARTICLE VII - INSURANCE

- Section 1. Types of Insurance Policies
- Section 2. Insurance Companies Authorized
- Section 3. Authority to Adjust Losses
- Section 4. Prohibition of Contribution
- Section 5. Value of Owner Improvements
- Section 6. Provisions in Insurance Policies
- Section 7. Review of Insurance Policies

-ii-

23



HILLSBORO

March 24, 1980

ARTICLE VIII - DAMAGE AND DESTRUCTION

- Section 1. Insurance Proceeds Sufficient to Cover Loss
- Section 2. Insurance Proceeds Insufficient to Cover Loss
- Section 3. Architectural Changes After Damage or Destruction

ARTICLE IX - CONDEMNATION

ARTICLE X - AMENDMENTS TO BYLAWS

ARTICLE XI - MORTGAGEES

- Section 1. Notice to Association
- Section 2. Definition of Mortgagee
- Section 3. Notice of Change in Documents or Manager
- Section 4. Notice of Default by Mortgagor
- Section 5. Mortgagee Exempt from Certain Restrictions
- Section 6. Subordination of Association Lien to Mortgage/ Discharge of Lien Upon Foreclosure
- Section 7. Professional Management
- Section 8. Written Consent of Mortgagee Required in Certain Cases
- Section 9. Proxy Held by Mortgagee in Certain Cases
- Section 10. Right to Examine Books and Records
- Section 11. Right to Annual Reports
- Section 12. Right to Receive Written Notice of Meetings
- Section 13. Notice in Event of Loss or a Taking
- Section 14. Definition of Institutional Holder

ARTICLE XII - RECORDS AND AUDITS

- Section 1. General Records
- Section 2. Records of Receipts and Expenditures
- Section 3. Assessment Roll
- Section 4. Payment of Vouchers
- Section 5. Reports and Audits
- Section 6. Notice of Sale, Mortgage, Rental or Lease

-iii-

24

RECEIVED  
MAR 17 1980  
REAL ESTATE DEPT.  
SALMON CREEK

HILLSBORO

March 24, 1980

ARTICLE XIII - COMPLIANCE

ARTICLE XIV - INDEMNIFICATION OF DIRECTORS, OFFICERS,  
EMPLOYEES AND AGENTS

ARTICLE XV - SUITS AND ACTIONS

ARTICLE XVI - COVENANTS WITH THE CITY OF BEAVERTON

ARTICLE XVII - MISCELLANEOUS

Section 1. Notices  
Section 2. Waiver  
Section 3. Invalidity; Number; Captions

-iv-

25

RECEIVED  
MAR 17 1980  
REAR DEPT. OF  
SAL. DIV.

HILLSBORO

March 24, 1980

BYLAWS  
OF  
MURRAY PARK CONDOMINIUMS

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The condominium, located in the City of Beaverton, County of Washington, State of Oregon, known as MURRAY PARK CONDOMINIUMS, is submitted to the provisions of Oregon Revised Statutes, Sections 91.500 et seq., the Oregon Unit Ownership Law.

Section 2. Bylaws Applicability. The provisions of these Bylaws are applicable to the condominium, the owners' association and the entire management structure thereof. (The term "condominium" as used herein shall include the land.)

Section 3. Personal Application. All present or future owners, tenants, future tenants or their employees, or any other person that might use the facilities of the condominium in any manner, are subject to the regulations set forth in these Bylaws.

The mere acquisition or rental of any of the sixteen (16) units in Stage I or of the remaining units not to exceed eighty (80) in not more than four additional stages (hereinafter referred to as "units") of the condominium or the mere act of occupancy of any said units will signify that these Bylaws are accepted, ratified, and will be complied with.

ARTICLE II

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

Section 1. Membership in the Association. Upon recordation of a conveyance or contract to convey a unit, the grantee or purchaser named in such conveyance or contract shall automatically be a member of the Association,

PAGE 1. BYLAWS

RECEIVED  
MAR 17 1980  
REAL ESTATE DIV.  
HILLSBORO, OREGON

26

March 24, 1980

HILLSBORO

and shall remain a member of said Association until such time as such person's ownership ceases for any reason. Unit ownership shall be determined, for all purposes of the Declaration of Unit Ownership ("Declaration") and the administration of the property, from the record of unit ownership maintained by the Association. The record shall be established by the unit owner filing with the Association a copy of the deed to or land sale contract for his unit, to which shall be affixed the certificate of the recording officer of the County of Washington, Oregon, showing the date and place of recording of such deed or contract. No person shall be recognized as a unit owner unless a copy of the deed or contract has been filed with the Association, as provided above, showing him to be the current owner or contract purchaser of a unit. Notwithstanding the foregoing, the declarant shall be the owner of all previously unsold units, although no deed or land sale contract, with respect to such units, has been filed with the Association.

Section 2. Voting. The owner of each unit shall be entitled to one vote. "Majority" or "majority of Unit Owners" shall mean owners of more than fifty percent (50%) of the units. The calling and conducting of meetings of the Association of Unit Owners and the exercise of voting rights shall be controlled by Article II of the Bylaws.

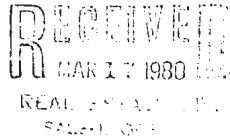
Section 3. Majority of Owners. As used in these Bylaws, the term "majority of voting owners" shall mean those owners holding over fifty percent (50%) of the vote, in accordance with the Declaration and any applicable Supplemental Declarations annexing additional units to the condominium and Section 2 above. "Majority of voting owners present" shall mean voting owners holding over fifty percent (50%) of the votes present at any legal meeting.

Section 4. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a "majority of voting owners" as defined in Section 3 of this Article shall constitute a quorum.

Section 5. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before or during the appointed meeting. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. A meeting of the Association may be by proxy ballot, as the Directors may elect, rather than at a formal gathering. Ballots for such meeting must be properly executed and returned in sufficient quantity to constitute a quorum and to pass the proposal specifically propounded on the ballot.

PAGE 2. BYLAWS

27



HILLSBORO

March 24, 1980

Section 6. Authority to Vote. All owners shall be entitled to vote, and this shall be true if they have leased their premises to a third party. An owner's right to vote may not be revoked. A purchaser under a land sale contract entitled to immediate possession of the premises shall be deemed the owner of the premises.

Section 7. 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 unit in such capacity. Whenever any unit is owned by two or more persons jointly, according to the records of the Association, the vote of such unit may be exercised by any one of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of such unit shall be disregarded completely in determining the proportion of votes given with respect to such matter.

### ARTICLE III

#### ADMINISTRATION

Section 1. Association Responsibilities. The owners of the units will constitute the Association of Unit Owners ("Association") who will have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments and arranging for the operation, management and maintenance of the condominium, including negotiating and contracting with and supervising any person, persons or business entity with respect to such matters. Except as otherwise provided in the Declaration or these Bylaws, decisions and resolutions of the Association shall require approval by a majority of owners present at any legal meeting. A legal meeting is one duly called pursuant to these Bylaws where a quorum is present in person or by proxy at a formal gathering, or if the meeting is held by ballot, when ballots are returned representing more than fifty percent (50%) of the vote.

Section 2. Place of Meetings. Formal meetings of the Association shall be held at the principal office of the condominium or such other suitable place convenient to the owners as may be designated by the Board of Directors. The

PAGE 3. BYLAWS

RECEIVED  
MAR 17 1980  
REAL ESTATE DIV.  
SALEM, OREGON

28

March 24, 1980

HILLSBORO

vote of ballot meeting shall be determined by the Board of Directors within forty-eight (48) hours of the deadline for return of ballots. Each unit owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned, within ten (10) days after the ballots have been counted.

Section 3. Initial and Special Organizational Meetings. The initial organizational meeting shall be held by the earlier of the following dates:

(a) the date when sales of 90% of the total units projected for the condominium have been closed; or

(b) the date sales with respect to 90% of the units completed have been closed and the Declarant waives, in writing, its right to develop and annex additional units; or

(c) December 31, 1983.

The initial organizational meeting shall be called by notice to all unit owners of the time and place thereof not less than seven (7) days before the meeting. If, at the initial organizational meeting only Stage I has been submitted to unit ownership, three (3) Directors shall be elected. If one additional stage is submitted with Stage I, six (6) Directors shall be elected and if two (2) additional stages are submitted with Stage I, nine (9) Directors shall be elected. If less than nine (9) Directors are elected at the initial organizational meeting, at the time additional stages are annexed to the condominium, a special organizational meeting shall be held at which three (3) additional Directors shall be elected for each additional stage annexed not to exceed a total of nine (9) Directors.

Section 4. Annual Meetings. The first annual meeting of the Association shall be held in the calendar year following the calendar year in which the initial organizational meeting is held and shall be set by action of the Board of Directors. This meeting, at the discretion of the Board of Directors, may be changed from time to time, but must be held annually under the rules and regulations as set out in the Bylaws. At such meetings, those members of the Board of Directors whose terms have expired, shall be elected by the owners in accordance with the requirements of Section 6 of Article IV of these Bylaws. The owners may also transact such other business of the Association as may properly come before them.

Section 5. Special Meetings. It shall be the duty of the Chairman to call a special meeting of the owners as

PAGE 4. BYLAWS

RECEIVED  
MAR 27 1980  
REAL ESTATE DIV.  
SALFORD, N.J.

29

HILLSBORO

March 24, 1980



directed by resolution of the Board of Directors or upon a petition signed by ten percent (10%) or more of the owners having been presented to the Secretary. All meetings called because of petition of unit owners shall be held at a formal gathering and not by ballot. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all the owners of the units or as otherwise set out in these Bylaws.

Section 6. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual, special or meeting by ballot, stating the purpose thereof and the time and place where it is to be held, to each owner of record at least ten (10) but not more than sixty (60) days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. The mailing shall be to the owner's address last given the Secretary in writing by the unit owner or his vendee. If unit ownership is split or the unit has been sold on a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If no address has been given the Secretary in writing, then mailing to the condominium unit shall be sufficient. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 7. Adjourned Meetings. If any gathering of owners is not a legal meeting because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. The adjournment provisions of this Section do not apply to meetings by ballot.

Section 8. Order of Business. The order of business at all meetings of the owners of units shall be as follows:

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

PAGE 5. BYLAWS

RECEIVED  
MAR 17 1980  
REAL ESTATE  
SOUTH OREGON

30

HILLSBORO

March 24, 1980

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons, at the time Stage I units are submitted to unit ownership, by six (6) persons at the time Stage II units are annexed to the condominium and by nine (9) persons at the time Stage III units are annexed to the condominium, all of whom must be a unit owner or the co-owner of a unit. Provided, however, owners of the same unit may not serve as Directors simultaneously.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the owners.

Section 3. Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors shall have authority to carry out and be responsible for the following matters:

(a) Care, upkeep and supervision of the condominium and the general common elements and the limited common elements, if any, and assigning, supervising assignments or approving any assignment of the use of any common element, general or limited, as may be required by the Declaration.

(b) Designation and collection of monthly assessments from the owners, in accordance with these Bylaws, the Declaration, any applicable Supplemental Declarations and the Oregon Unit Ownership Law.

(c) Payment of all common expenses of the Association and institution and maintenance of a voucher system for such payment, which shall require a sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of Association funds.

(d) Designation and dismissal of the personnel necessary for the maintenance and operation of the condominium, the general common elements and the limited common elements, if any.

RECEIVED  
MAR 17 1980

31

March 24, 1980

HILLSBORO

(e) Leasing, subleasing or hypothecation, in any manner, of the general or limited common elements, if any, of the condominium which have or may have any income producing potential.

(f) Promulgation and enforcement of rules of conduct for unit owners, employees and invitees which shall be consistent with the restrictions set out in Article VI, Section 11 of these Bylaws.

Section 4. Management Agent. The Board of Directors may employ a management agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 3 of this Article.

Section 5. Interim Directors. Upon the filing of the Declaration submitting Stage I of the condominium to the Oregon Unit Ownership Law, the Declarant shall appoint an interim board of three (3) directors (who need not be owners of units), who shall serve until replaced by Declarant or their successors have been elected by the unit owners at the initial organizational meeting as hereinafter provided. The Declarant may have effective voting control at the initial organizational meeting to elect members of the Declarant's choosing to the Board as long as the Declarant continues to own a large percentage of the units.

Section 6. Election and Term of Office. Three (3) Directors shall be elected at the initial organizational meeting if only Stage I units are submitted to unit ownership, six (6) Directors if one additional stage is submitted to unit ownership coincidentally with Stage I units and nine (9) Directors if two (2) additional stages are submitted to unit ownership coincidentally with Stage I units. If, at the initial organizational meeting only Stage I has been submitted to unit ownership, the term of office of one (1) Director shall be fixed for three (3) years, the term of office of one (1) Director shall be fixed at two (2) years and the term of office of one (1) Director shall be fixed at one (1) year. In the event one additional stage is submitted coincidentally with Stage I units, two (2) Directors shall be elected for three (3) years, two (2) Directors shall be elected for two (2) years and two (2) Directors shall be elected for one (1) year, and in the event two (2) or more stages are submitted coincidentally with Stage I, three (3) Directors shall be elected for three (3) years, three (3) Directors shall be elected for two (2) years and three (3) Directors shall be elected for one (1) year. In the event less than nine (9) Directors are elected at the initial

PAGE 7. BYLAWS

RECEIVED  
MAR 27 1980

32

HILLSBORO

March 24, 1980

organizational meeting, the additional Directors authorized when additional stages are annexed, shall be elected at the special organizational meeting provided by Section 3 of Article III, for terms to coincide with the terms of the Directors elected at the initial meeting or until their successors are appointed pursuant to these Bylaws or elected at annual meetings.

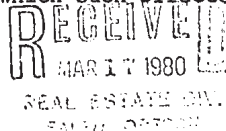
Should more Directors be added, the same sequential election terms shall apply as nearly as is practicable. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting. At the initial organizational meeting or the special organizational meetings, upon agreement by vote of the owners, all members to be elected at such meeting of the Board of Directors may be elected by a single ballot with each owner permitted to vote for as many nominees as there are positions to be filled. In such event, the persons receiving the highest number of votes shall serve in the director positions for which the longest terms are provided and those persons receiving the lesser number of votes shall serve in the shorter terms, so that the persons receiving the most votes shall be three (3) year term Directors and those receiving the fewest shall be one (1) year term Directors.

Section 7. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled for the balance of the term of each directorship by vote of a majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected upon expiration of the term for which such person was elected by the other Directors to serve.

Section 8. Removal of Directors. At any legal annual or special meeting, other than a meeting by ballot, any one or more of the Directors may be removed with or without cause, by a majority of the owners and a successor may be then and there elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners may be given an opportunity to be heard at the meeting.

Section 9. Organizational Meeting. The first meeting of a newly-elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors

PAGE 8. BYLAWS



33

HILLSBORO

March 24, 1980

were elected, and no notice shall be necessary to the newly-elected Directors in order to legally hold such meeting, providing a majority of the newly-elected Directors are present.

Section 10. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings of the Board of Directors may be called by the Chairman on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman or Secretary or on the written request of at least three (3) Directors. Special meetings of the Board of Directors may be called on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

Section 12. Waiver of Notice to Directors. Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting.

Section 13. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the existing Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Board of Directors Meetings Open to All Association Members. All meetings of the Board of Directors shall be open to any and all members of the Association. Provided, however, no Association member shall have a right to participate in the Board of Directors meetings unless such member is also a member of the Board of Directors. The

PAGE 9. BYLAWS

RECEIVED  
MAR 17 1980  
REAL ESTATE DIV.  
STATE OF N.J.

34

March 24, 1980

HILLSBORO

include premiums for insurance required or permitted under Article VII of these Bylaws. All of the reserve funds set up pursuant to these Bylaws shall be funded by allocation and payment from the monthly assessment of unit owners. The assessment of all unit owners who may be benefited by expenditure of reserve funds may be increased as necessary, so the reserve fund in question can be maintained in an amount sufficient to meet the needs for which such fund was established. Such assessments shall include:

- (a) Expenses of administration.
- (b) Expenses of maintenance, repair or replacement of common elements.
- (c) Cost of insurance or bonds obtained in accordance with these Bylaws.
- (d) Any deficit in common expenses for any prior period.
- (e) Utilities for the common areas and other utilities with a common meter or commonly billed, such as water and sewer.
- (f) The cost of any professional management if required by first mortgagees or desired by the Board of Directors.
- (g) A reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount determined by the Directors. The reserve fund is for the purpose of effecting replacements of structural elements, mechanical equipment and other general common elements of the condominium. Payment into this fund shall be deemed a contribution to capital improvement as and when made. The establishment and maintenance of this fund shall be a mandatory obligation of the Board of Directors.
- (h) A General Operating Reserve by allocation and payment thereto monthly of an amount determined by the Board of Directors. This existence of this reserve fund shall be discretionary with the Board of Directors.
- (i) Such other special reserve funds as may be set up by the Directors by special assessments of the unit owners who benefit thereby as may be required by the Declaration or otherwise determined by the Association of Unit Owners to be

RECEIVED  
MAR 17 1980  
SECRETARIAT

35

HILLSBORO

March 24, 1980

meeting thereafter, and shall hold office at the pleasure of the board.

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

Section 4. Chairman. The Chairman shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The Chairman shall be entitled to vote at Board of Director meetings only in case of a tie vote at any such meeting, and his vote shall be final.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 6. Treasurer. The Treasurer shall have responsibility for Association funds and securities not otherwise held by the managing agent, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

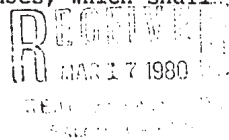
Section 7. Directors as Officers. Any Director may be an officer of the Association.

#### ARTICLE VI

#### OBLIGATIONS OF THE OWNERS

Section 1. Assessments. All owners are obligated to pay monthly assessments imposed by the Association to meet all the project's general common expenses, which shall

PAGE 11. BYLAWS



36

March 24, 1980

HILLSBORO

Chairman shall have authority to exclude any Association member who disrupts the proceedings at a meeting of the Board of Directors.

Section 15. Notice to Association Members of Board of Directors Meetings. For other than emergency meetings, notice of Board of Directors meetings shall be posted at a place on the Condominium property at least three (3) days prior to the meeting or notice shall otherwise be provided to each member of the Association reasonably calculated to inform each member of such meetings. The posting of such notices shall be at a reasonable location which has been generally publicized to the Unit Owners.

Section 16. Telephonic Meetings. In the event of an emergency, telephonic meetings may be held by the Board of Directors. Such telephonic meetings shall be carried on by means of a "conference call" in which each Director may speak with any of the other Directors. The Directors shall keep telephone numbers on file with the Chairman to be used for telephonic meetings. No notice to either Directors or Association members shall be required for a telephonic meeting of the Board of Directors to be held for any emergency action. Provided, however, no such telephonic meeting shall occur unless at least seventy-five percent (75%) of the Board of Directors participate in the same and after an attempt has been made to call each Director at the telephone number maintained on file with the Board of Directors for such purpose.

Section 17. Compensation of Directors. No Director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by vote of the unit owners.

#### ARTICLE V

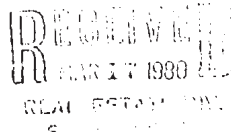
##### OFFICERS

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

Section 2. Election of Officers. The officers of the Association may be elected by the Board of Directors at the organizational meeting of each new board or any board

PAGE 10. BYLAWS

37



HILLSBORO

March 21, 1980



appropriate, including a reserve fund for any lease payments and maintenance of any limited common elements.

(j) Any other items properly chargeable as an expense of the Association.

Each reserve fund shall be kept in a fund with a safe and responsible depository, shall be accounted for separately and, if invested, the obligation or security shall be fully guaranteed as to principal by the United States of America or one of its agencies. No unit owner shall have any individual rights in any of these reserves, although it is understood that the value of their respective units may increase in proportion to each unit's right to receive repair, maintenance and replacement therefrom.

Section 2. Initial Assessment. The initial assessment to Stage I unit owners other than the Declarant, shall be determined by the Declarant and each purchaser shall execute a consent to such initial assessment. The initial assessment shall thereafter be subject to review by the Board of Directors. The monthly assessment for all units shall be payable from the date the Declaration is recorded. Provided, however, if the Declarant or any other person owns all of the units in Stage I or if the Declarant or any other person pays all monthly common expenses in full without cost to the other unit owners, the monthly assessment shall equal zero. In such event, reserves provided for in Section 1 of this Article shall not be funded until the commencement of assessments to individual owners. The Declarant or such other person paying all common expenses shall give ten (10) days written notice to individual unit owners prior to the commencement of their obligation to pay the monthly assessment. Thereafter, each owner including the Declarant or such other person shall pay the monthly assessments to the Association. In the event the Declarant has collected initial assessments from unit purchasers at closing and thereafter elects to pay all common expenses thereby causing the assessment to equal zero, the amounts collected from unit purchasers shall be held by the Declarant in an Association fund to be applied as set forth in Section 1 of this Article commencing with the date unit owners are required to pay monthly assessments.

Section 3. Initial Assessments of Units in Stages 2 through 5. The initial assessment for owners of units in stages annexed to the condominium subsequent to the submission of units in Stage 1 to unit ownership, shall be an amount equal to three times the monthly assessment then in effect for similar units in the condominium plus a prorated portion of the assessment for the month during which the units in such stages are annexed to the condominium. An amount equal

PAGE 13. BYLAWS

RECEIVED  
MAR 17 1980  
REAL ESTATE DIV.

38

March 24, 1980

HILLSBORO

to one (1) month's assessment plus the prorated month's assessment shall constitute the assessment for the first partial month and the next full month. Thereafter, the owners of units in such stage shall be assessed directly by the Association. The additional initial assessment equal to two (2) full months of the current assessment shall be a one-time contribution to the budget of the condominium. The total initial assessment of units in subsequent stages shall be collected by the Declarant and delivered to the Association within thirty (30) days from the time that units in each such stage are annexed to the condominium.

Section 4. Payment of Assessments. Subject to the provisions of Sections 2 and 3 of this Article VI, from the date the Declaration is recorded, the Declarant shall:

(a) Pay assessments due for operating expenses on all unsold units; and

(b) Pay assessments due for reserves on all unsold units, or, at the Declarant's option, pay or require the unit owner to pay all accrued reserve assessments against the unit at the time of the initial sale to the unit owner.

Section 5. Budget. The amount of the monthly assessment, after the first annual meeting shall be based upon a budget written by the Board of Directors, presented to and adopted by the Association. Thereafter, until the next annual meeting and budget, the Board of Directors may increase the monthly assessment to unit owners by no more than a total of ten percent (10%) for any item from the assessment determined from the annual budget, without approval by the Association at a specially called meeting. Provided, however, special assessments may be made at any time to all unit owners, pro rata, to make up a deficit caused by a defaulting owner whose unit was taken over by foreclosure thereby removing the lien of the Association for unpaid assessments. Interest shall be charged on delinquent assessments at the rate of ten percent (10%) per annum. The Directors, in their discretion, may waive the imposition of such interest charges.

Section 6. Default. Failure by an owner to pay any assessment of the Association shall be a default by such owner of his obligations pursuant to these Bylaws and the Oregon Unit Ownership Law. The Association shall be entitled to a lien which may be enforced upon compliance with the provisions of ORS 91.546. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting

PAGE 14. BYLAWS

39

RECEIVED  
MAR 17 1980  
REAL ESTATE DIV.  
SALE & REGISTRATION

HILLSBORO

March 24, 1980

owner for the use of his unit or shall be entitled to the appointment of a receiver pursuant to ORS 91.548. Any default by the owner in any provisions of these Bylaws or of the Oregon Unit Ownership Law shall be deemed to be a default by the owner of any mortgage to which the owner is a party or to which the unit is subject.

Section 7. Maintenance and Repair.

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

(b) All repairs of internal installations of each unit, such as water, lights, gas, power, sewage, telephones, air conditioners and sanitary installations, doors, windows, lamps and all other accessories belonging to the unit area shall be at the sole expense of the owner of such unit.

(c) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and/or facility damaged through his fault, not otherwise covered by insurance policies carried by the Association for the owner's and Association's benefit.

Section 8. Use of Units - Internal Changes.

(a) All units shall be used for residential purposes only, and all common elements shall be used in a manner conducive to such purposes. With the exception of a lender in possession of a condominium unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no unit owner shall be permitted to lease his unit for transient or hotel purposes. No unit owner may lease less than the entire unit. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and the Bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be required to be in writing.

PAGE 15. BYLAWS

RECEIVED  
MAR 17 1980

REAL ESTATE DIV.  
LAND OFFICE

40

March 24, 1980

HILLSBORO

(b) An owner shall not make structural modifications or alterations in his unit or installations located therein without previously notifying the Association in writing, through the Management Agent, if any, or through the Chairman of the Board of Directors, if no management agent is employed. The Association shall have the obligation to answer within thirty (30) days, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section 9. Use of the Common Elements. An owner shall not place or cause to be placed in the lobbies, patios, decks, ramps, vestibules, stairways and other project areas and facilities of the condominium of a similar nature, any furniture, packages or objects of any kind, except that suitable furniture may be placed on the decks and patios without the prior written consent of the Board of Directors. Such areas shall be used for no purpose other than what is normal.

Section 10. Right of Entry.

(a) In case of an emergency originating in or threatening his unit, an owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association, whether the owner is present at the time or not.

(b) An easement is reserved to the Association in and through any unit and the common elements providing access at reasonable times and with reasonable notice for purposes of maintenance, repair and replacement of the common elements. If, in the process of such repair and maintenance by the Association, it is necessary to alter or damage any unit or common elements, such alterations or damages will be permitted without compensation, provided the unit and/or common elements are promptly restored to substantially their prior condition by the Association.

(c) If any portion of the common elements encroaches upon a unit, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall be and does exist. In the event the structures are partially or totally destroyed, and then rebuilt, the owners of the units agree that minor encroachment of parts

PAGE 16. BYLAWS

RECEIVED  
MAR 17 1980  
REAL ESTATE DIV.  
SUNSHINE OFFICE

41

March 24, 1980

HILLSBORO

of the common elements due to such rebuilding shall be allowed and an easement shall exist for such purpose.

Section 11. Rules of Conduct.

(a) No resident of the condominium shall post any advertisements, posters, or signs of any kind in or on the condominium property except as authorized by the Association and except that the Declarant may post "For Sale" signs advertising unsold units.

(b) Residents shall exercise extreme care about creating disturbances, making noises or using musical instruments, radios, television and amplifiers that may disturb other residents. No owner may keep a pet in his unit without the prior written consent of the Board of Directors. Any owner given such authorization shall further abide by the Municipal Sanitary Regulations, leash laws and rules or regulations of the Association created by the Board of Directors.

(c) It is prohibited to hang garments, rugs and similar items from the windows or from any of the facades, decks or terraces of the condominium.

(d) It is prohibited to hang or shake dust rags, mops and similar items from the windows or porches or terraces, or to clean such items by beating on an exterior part of the condominium.

(e) It is prohibited to throw garbage or trash next to the disposal installations provided for such purposes in the service areas. All such garbage and trash shall be placed inside disposal containers.

(f) No owner, resident or lessee shall install wiring for electrical or telephone installation, television antennae, machines or air conditioning units or similar devices on the exterior of the condominium buildings or cause them to protrude through the walls or the roof of the condominium except as authorized by the Association. No window guards, awnings or shades shall be installed without the prior consent of the Board of Directors.

PAGE 17. BYLAWS

42

RECEIVED  
MAR 17 1980  
REAL ESTATE DIV.  
SOUTH BRIDGE

HILLSBORO

March 24, 1980

(g) No exterior antennas shall be allowed except those installed by the Association.

(h) Curtains and drapes shall be generally white or lined with white, or as the Board approves, to create an aesthetic and harmonious outer appearance of the condominium buildings.

(i) The parking spaces designated as general common elements in the Declaration are intended for use of automobiles of owners and guests. The Directors may make such rules necessary to govern the use of any general or any limited common element parking areas by which all owners and other users shall be bound. Provided, however, no such rule shall prohibit, restrict, or change a parking assignment previously made to a unit without the written consent of the unit owner.

(j) Vehicular traffic on the parking areas and driveway on condominium property shall be limited to five (5) miles per hour as a safety precaution. This speed limit shall apply to bicycles, motor scooters, motorcycles, automobiles and trucks. No recreational vehicles, campers, trailers, boats, boat trailers, vehicles in disrepair or similar things may be parked or kept on condominium property without the prior written consent of the Board of Directors.

(k) All common areas, including common garden and patio areas are provided for the use of the owners and their guests. Rules and regulations will be posted, setting out the hours the various facilities will be available for use, and the conditions attendant thereto. Compliance with such rules as determined by the Board of Directors is essential to the harmonious operation of the facilities.

(l) The Directors may restrict the use of the general or limited common elements to specific unit owners as may be necessary and reasonable in the overall use of said elements and for the best interest of the condominium as a whole and the owners of units therein.

Failure by an owner (his family, invitees or lessees) to comply with the rules of conduct and restrictions set forth herein or others promulgated by the Board of Directors, will be cause for which the Board of Directors may deny or

PAGE 18. BYLAWS

RECEIVED  
MAR 17 1980

REAL ESTATE  
SALES

43

HILLSBORO

March 24, 1980

(g) No exterior antennas shall be allowed except those installed by the Association.

(h) Curtains and drapes shall be generally white or lined with white, or as the Board approves, to create an aesthetic and harmonious exterior appearance of the condominium buildings.

(i) The parking spaces designated as general common elements in the Declaration are intended for use of automobiles of owners and guests. The Directors may make such rules necessary to govern the use of any general or any limited common element parking areas by which all owners and other users shall be bound. Provided, however, no such rule shall prohibit, restrict, or change a parking assignment previously made to a unit without the written consent of the unit owner.

(j) Vehicular traffic on the parking areas and driveway on condominium property shall be limited to five (5) miles per hour as a safety precaution. This speed limit shall apply to bicycles, motor scooters, motorcycles, automobiles and trucks. No recreational vehicles, campers, trailers, boats, boat trailers, vehicles in disrepair or similar things may be parked or kept on condominium property without the prior written consent of the Board of Directors.

(k) All common areas, including common garden and patio areas are provided for the use of the owners and their guests. Rules and regulations will be posted, setting out the hours the various facilities will be available for use, and the conditions attendant thereto. Compliance with such rules as determined by the Board of Directors is essential to the harmonious operation of the facilities.

(l) The Directors may restrict the use of the general or limited common elements to specific unit owners as may be necessary and reasonable in the overall use of said elements and for the best interest of the condominium as a whole and the owners of units therein.

Failure by an owner (his family, invitees or lessees) to comply with the rules of conduct and restrictions set forth herein or others promulgated by the Board of Directors, will be cause for which the Board of Directors may deny or

PAGE 12. BYLAWS

43

HILLSBORO

MAILED 11/19/11

restrict such owner's right to use any common element facility with respect to which such owner otherwise had a right of use.

Section 12. Use Restriction Contained in Declaration. In addition to the rules, restrictions and other provisions of this Article VI, all unit owners must comply with the use restrictions contained in Section 6 of the Declaration.

ARTICLE VII

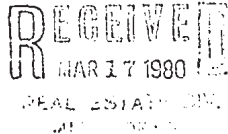
INSURANCE

The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in the amounts hereinafter provided, 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 condominiums similar in construction, design and which insurance shall be governed by the provisions in this numbered section.

Section 1. Types of Insurance Policies. For the benefit of the Association and the owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance:

(a) A policy or policies of fire insurance with the extended coverage endorsement, for the full insurable replacement value, if available, of all units and common areas, and such other fire and casualty insurance as the Board of Directors shall determine, to give substantially equal or greater protection to the owners and their mortgagees, as their respective interests appear, which said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees, of each unit, if any.

(b) A policy or policies insuring the Association, its Board of Directors, the unit owners individually, and the manager against any liability to the public or the owners of units and their invitees or tenants, incident to the ownership, supervision, control or use of the project. Limits of liability under such insurance shall be not less than \$1,000,000 per occurrence for



44

HILLSBORO

March 24, 1980



bodily injuries and property damage liability. Such limit and coverage shall be reviewed at least annually by the Board of Directors which may increase the limit of and/or coverage, in its discretion. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsements 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.

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

(d) A fidelity bond naming such persons as may be designated by the Board of Directors as principals and the Association and the owners as obligees, for the amount determined by the Board of Directors. Provided, however, the Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds obtain adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

The Association shall not be responsible for any loss or damage to personal property of any owner, whether stored on the common area or in the owner's unit. Nor shall the Association maintain any insurance coverage for such loss.

Section 2. Insurance Companies Authorized. All policies shall be written by a company licensed to do business in Oregon and holding a "Commissioner's rating" of "A+" and a size rating of "AAA," or better, by Best's Insurance Reports, or as may be otherwise acceptable to all mortgagees and directors.

Section 3. Authority to Adjust Losses. All losses under policies hereafter in force regarding the property shall be settled exclusively with the Board of Directors or its authorized representative; provided, however, that where a first mortgagee has been designated as a loss payee by a unit owner, such mortgagee shall be entitled to settle losses as to the mortgaged unit, provided that the loss which occurs is severable. Releases and proofs of loss shall be executed by at least two directors.

Section 4. Prohibition of Contribution. In no event shall the insurance coverage obtained and maintained

PAGE 20. BYLAWS

RECEIVED  
MAR 17 1980  
REAL ESTATE  
SANTA MONICA

45

March 24, 1980

HILLSBORO

by the Board of Directors hereunder be brought into contribution with insurance purchased by the Association, individual owners or their mortgagees.

Section 5. Value of Owner Improvements. Each owner must inform the Board of Directors of the value of improvements made to his unit in excess of One Thousand Dollars (\$1,000.00) so that the Board of Directors may make any desired adjustments in insurance coverage. Nothing in this paragraph shall permit an owner to make improvements without first obtaining the approval of the Board of Directors pursuant to Article VI, Section 8(b).

Section 6. Provisions in Insurance Policies. 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.

(e) A provision that the insurer issue sub-policies specifying the portion of the master policy ear-marked for each owner's interest and that until the insurer furnishes 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 non-payment of premiums.

(f) A rider on the master policy in the nature of "Use and Occupancy" insurance which

PAGE 21. BYLAWS

46  
RECEIVED  
MARCH 17 1980  
REAL ESTATE DIV.  
SULLY DIVISION

HILLSBORO

March 24, 1980

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 without being limited to, taxes, rent, insurance, and mortgage payments.

Section 7. Review of Insurance Policies. At least annually, the Board of Directors shall review all insurance carried by the Association of Unit Owners, which review shall include an appraisal of all improvements made to the project by a representative of the insurance carrier writing the master policy.

#### ARTICLE VIII

##### DAMAGE AND DESTRUCTION

Section 1. Insurance Proceeds Sufficient to Cover Loss. In case of fire, casualty or any other damage and destruction, the insurance proceeds of the master policy, if sufficient to reconstruct the buildings damaged or destroyed, shall be applied to such reconstruction. Reconstruction of the damaged or destroyed buildings, as used in this paragraph, means restoring the buildings to substantially the same condition in which they existed prior to the fire, casualty or disaster, with each unit and the common area having the same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished under the direction of the manager or the Board of Directors.

Section 2. Insurance Proceeds Insufficient to Cover Loss. If the insurance proceeds are insufficient to reconstruct the damaged or destroyed buildings, the damage to, or destruction of, such buildings shall be promptly repaired and restored by the manager or the Board of Directors, using the proceeds of insurance, if any, on such buildings for that purpose and all the unit owners shall be liable for assessment for any deficiency for such reconstruction, such deficiency to take into consideration as the owner's contribution any individual policy insurance proceeds provided by such owner. Provided, however, if three-fourths or more in value of all the buildings are destroyed or substantially damaged and if the owners holding at least three-fourths interest in the common elements do not, voluntarily, within sixty (60) days after such destruction or damage, make provision for reconstruction, the manager or Board of Directors shall record with the County Recorder a notice setting forth such facts, and upon the recording of such notice:

PAGE 22. BYLAWS

RECEIVED  
MAR 17 1980

REAL ESTATE  
301

47

HILLSBORO

March 24, 1980

(a) The condominium property shall be deemed to be owned in common by the owners.

(b) The respective interest of each unit owner in the property shall be determined by the provisions of ORS 91.591 which are in effect on the date the Declaration of Unit Ownership is recorded.

(c) Any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the undivided interests of the owners in the project.

(d) The condominium shall be subject to an action for partition at the suit of any owner. If a decree of partition orders the sale of the condominium property, the net proceeds of sale, together with the net proceeds of the policies of insurance on the condominium, if any, shall be considered as one fund and shall be divided among all of the owners in proportion to their respective undivided interests, after first paying, out of the respective shares of the owners, to the extent such share is sufficient for the purpose, all liens on the undivided interest in the project owned by each owner.

Section 3. Architectural Changes After Damage or Destruction. Notwithstanding all other provisions hereof, the owners may, by an affirmative vote of sufficient owners to amend these Bylaws, cause an amendment to be made to the condominium documents so as to facilitate architectural changes that the owners affected thereby and the Association deem desirable if, and only if, the partial or total destruction of the condominium, or any buildings thereof, by fire, casualty or any other disaster is so great as to require the substantial reconstruction of the whole of the condominium, or said buildings. Any such amendment of such condominium documents shall be valid only upon (1) the recording thereof with the recording officer of Washington County; and (2) the recording with that recording officer of the approval thereof of each mortgagee and each other lienholder of record having a lien against any part of the project, or building, affected by such amendment.

PAGE 23. BYLAWS

RECEIVED  
MAR 17 1980  
REG. CLERK  
SALEM, OREGON

48

March 24, 1980

HILLSBORO

ARTICLE IX

CONDEMNATION

The Board of Directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain and to sue or defend in any litigation involving such bodies or persons with respect to the common elements of the condominium and shall assist any unit owner whose unit or a part thereof is the subject of any condemnation or eminent domain proceeding. Provided, however, nothing in this or any document or agreement relating to the condominium shall be construed to give a unit owner or any party priority over the rights of the first mortgagees of any condominium units in the case of a distribution to the unit owner of any such condemnation awards for losses to or a taking of a unit and/or the common elements.

ARTICLE X

AMENDMENTS TO BYLAWS

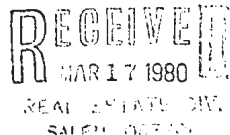
These Bylaws may be amended by the Association in a duly-constituted meeting or ballot meeting called for such purpose, and no amendment shall take effect unless approved by owners holding 75% or more of the voting rights as otherwise set forth in the Declaration. Any amendments adopted hereby shall be reduced in writing, certified by the Chairman and Secretary of the Association of Unit Owners to be the amendment so adopted by the Association of Unit Owners, and such amendment so certified shall be recorded in the Deed Records of Washington County, Oregon. Provided, however, no amendment of these Bylaws reducing or eliminating the right of any first mortgagee shall be made without the prior written consent of such first mortgagees. Provided, further, until the time in which to annex units in subsequent stages expires or so long as Declarant owns any unit in the condominium, Declarant's consent shall be required to amend the Declaration. However, Declarant's consent shall not be required after December 31, 1985.

ARTICLE XI

MORTGAGEES

In the event of a conflict between this Article XI and other provisions of these Bylaws, the provisions of this Article XI shall prevail.

PAGE 24. BYLAWS



49

March 24, 1980

HILLSBORO

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

Section 2. Definition of Mortgagee. Mortgagee as used in these Bylaws shall include the beneficiary of a trust deed or a contract seller.

Section 3. Notice of Change in Documents or Manager. The Association of Unit Owners shall give the mortgagees written notice thirty (30) days prior to the effective date of (i) any change in the condominium documents and (ii) any change of manager (not including change in employees of corporate manager) of the condominium.

Section 4. Notice of Default by Mortgagor. The Association of Unit Owners shall give the mortgagees written notification of any default by their mortgagors in the performance of such mortgagor's obligations pursuant to the condominium documents or the Oregon Unit Ownership Law, which is not cured within thirty (30) days.

Section 5. Mortgagee Exempt from Certain Restrictions. Any mortgagee who comes into possession of a mortgaged unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal" or other restriction on the sale or rental of the mortgaged unit, including but not limited to, restrictions on the age of unit occupants and restrictions on the posting of signs pertaining to the sale or rental of the unit.

Section 6. Subordination of Association Lien to Mortgage/Discharge of Lien Upon Foreclosure. Subject to ORS 91.546, the lien of the Association shall be subordinate to a first mortgage or trust deed of record. Any holder of a mortgage which comes into possession of the unit pursuant to the remedies provided in the mortgage, by foreclosure of the mortgage, or by deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units, including the mortgaged unit).

PAGE 25. BYLAWS

RECEIVED  
MAR 17 1980  
REAL ESTATE  
HILLSBORO

50

March 24, 1980

HILLSBORO

Section 7. Professional Management. Upon written request of the holders of at least fifty percent (50%) of the first mortgages of units in the condominium, the Board of Directors shall employ a professional manager to manage the affairs of the Association. Any agreement for professional management shall provide that the management contract may be terminated for cause on thirty (30) days' written notice and the term of any such contract shall not exceed one (1) year. Without the prior written approval of the holders of seventy-five percent (75%) of the first mortgages on units in the condominium, the Association of Unit Owners may not effect any decision to terminate professional management and assume self management of the condominium.

Section 8. Written Consent of Mortgage Required in Certain Cases. Unless all holders of first mortgage liens on individual units have given their prior written approval, neither the Association nor the unit owners of the condominium shall:

(a) Change the pro rata interest or obligations of any condominium unit for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (ii) determining the pro rata share of ownership of each unit in appurtenant real estate and any improvements thereon which are owned by the unit owners in the condominium in undivided pro rata interests ("common elements");

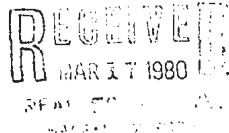
(b) Partition or subdivide any unit or the common elements of the condominium property;

(c) By act or omission seek to abandon the condominium status of the condominium property, except as provided by the Oregon Unit Ownership Law in the event of substantial loss to the units and common elements of the condominium property;

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer, the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements shall not be deemed a transfer within the meaning of this clause;

(e) Use 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,

PAGE 26. BYLAWS



HILLSBORO

March 24, 1980

except as provided by the Oregon Unit Ownership Law in case of substantial loss to the units and/or common elements of the condominium project.

Section 9. Proxy Held by Mortgagee in Certain Cases. The first mortgagee may attend a meeting of the Association of Unit Owners with the proxy of the mortgagor of said unit for the purpose of voting to paint or otherwise maintain the common elements. Provided, however, such right shall arise only in the event the mortgagee reasonably believes that the Association of Unit Owners has failed to maintain the common elements in sufficient manner to prevent excessive wear and tear.

Section 10. Right to Examine Books and Records. All first mortgagees shall have the right to examine the books and records of the Condominium Owners Association or the condominium property upon reasonable notice and at reasonable times.

Section 11. Right to Annual Reports. All first mortgagees shall, upon request, be entitled to receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association of Unit Owners.

Section 12. Right to Receive Written Notice of Meetings. The Association of Unit Owners shall give all first mortgagees, upon request, written notice of all meetings of the Association, and such first mortgagees shall be permitted to designate a representative to attend all such meetings.

Section 13. Notice in Event of Loss or a Taking. The Condominium Owners Association shall give all first mortgagees written notice of any loss to, or taking of, the common elements of the condominium project or a unit in the condominium project if such loss or taking exceeds \$10,000 with respect to the common elements or \$1,000 with respect to any unit.

Section 14. Definition of Institutional Holder. For purposes of these Bylaws and the Declaration and for any other purposes in connection with the mortgages or trust deeds of a unit in the condominium, the term "institutional holder" shall mean: "A mortgagee which is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency."

PAGE 27. BYLAWS

RECEIVED  
MAR 17 1980  
REAL ESTATE DIV.  
STATE OF OREGON

52

March 24, 1980

HILLSBORO



ARTICLE XII

RECORDS AND AUDITS

Section 1. General Records. The Board of Directors and the managing agent or manager, if any, shall keep detailed records of the actions of the Board of Directors and the managing agent or manager, minutes of the meetings of the Board of Directors and minutes of the meetings of the Association. The Board of Directors shall maintain a list of owners entitled to vote at meetings of the Association and a list of all mortgagees of units.

Section 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.

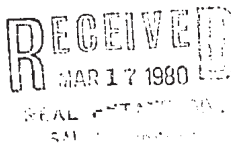
Section 3. Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each unit. Such account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which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

Section 4. Payment of Vouchers. The Treasurer shall pay all vouchers up to \$1,000 signed by the Chairman, managing agent, manager or other person authorized by the Board of Directors. Any voucher in excess of \$1,000 shall require the signature of the Chairman.

Section 5. Reports and Audits. The Board of Directors shall cause an annual report of the receipts and expenditures of the Association to be prepared by a certified public accountant and shall render such report to all unit owners and to all mortgagees of units who have requested the same within ninety (90) days after the end of each fiscal year. At any time any owner or mortgagee may, at his own expense, cause an audit or inspection to be made of the books and records of the Association.

Section 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.

PAGE 28. BYLAWS



HILLSBORO

March 24, 1980

ARTICLE XIII

COMPLIANCE

These Bylaws are intended to comply with the provisions of the Oregon Unit Ownership Law, which are incorporated herein and to supplement the provision in the Declaration of Unit Ownership. In case any of the provisions hereof conflict with the provisions of said statutes, the statutory provisions shall apply. In case of any conflict between the provisions hereof and the Declaration, the provisions in the Declaration shall apply.

ARTICLE XIV

INDEMNIFICATION OF DIRECTORS,  
OFFICERS, EMPLOYEES AND AGENTS

The Association shall indemnify any Director, officer, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal administrative or investigative (other than an action by the Association) by reason of the fact that he is or was a Director, officer, employee or agent of the Association or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe his conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit or proceeding as and when incurred, subject only to the right of the Association, should it be proven at a later time that said person had no right to such payments. All persons who are ultimately

PAGE 29. BYLAWS

RECEIVED  
MAR 17 1980  
REAL ESTATE DIV.  
HILLSBORO, OREGON

54

March 24, 1980

HILLSBORO

held liable for their actions on behalf of the Association as a Director, officer, employee or agent shall have a right of contribution over and against all other Directors, officers, employees or agents and members of the Association who participated with or benefited from the acts which created said liability.

ARTICLE XV

SUITS AND ACTIONS

In the event suit or action is commenced by the Directors for the collection of any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the Bylaws or of the Oregon Unit Ownership Law, the owner or owners, jointly and severally, will in addition to all other obligations, pay the costs of such suit or action, including reasonable attorneys' fees to be fixed by the trial court and, in the event of an appeal, the cost of the appeal, together with reasonable attorneys' fees in the appellate court to be fixed by such court.

ARTICLE XVI

COVENANTS WITH THE CITY OF BEAVERTON

The Association shall maintain the common areas and elements of the condominium (including open spaces, recreational facilities and accessways) in the manner necessary to meet the standards lawfully required by the City of Beaverton under the authority of its ordinances, including but not limited to, ordinances relating specifically to the condominium property. Assessments against unit owners pursuant to these Bylaws shall be made in sufficient amounts to assure that the maintenance of common areas and elements conforms to such standards. The foregoing maintenance requirements shall continue as an obligation upon the property, and the owners thereof notwithstanding dissolution of the Association or withdrawing of the property from unit ownership.

In the event the Association is dissolved or for any other reason ceases to maintain the common areas and elements (including open spaces, recreational facilities and accessways) the City of Beaverton may perform, or hire an independent contractor to perform, any maintenance work as it reasonably deems necessary. The City may impose a lien upon the units

PAGE 30. BYLAWS

RECEIVED  
MAR 17 1980

55

HILLSBORO

March 24, 1980

and common elements appertaining thereto, for the reasonable value of any such work performed, and for recording fees, court costs and attorney's fees. Any such lien may be enforced and foreclosed in the manner provided in ORS 223.505 to 223.650. Notwithstanding any other provisions of these Bylaws, the foregoing covenant and restrictions shall not be amended, changed, revoked or terminated, in whole or in part, without the express written consent of the City of Beaverton.

ARTICLE XVII

MISCELLANEOUS

Section 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 him from time to time, in writing, to the Board of Directors, or if no address has been designated, then to the owner's unit.

Section 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 which may occur.

Section 3. Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. As used 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 reference and shall in no way limit any of the provisions of these Bylaws.

It is hereby certified that these Bylaws have been adopted by L. B. NELSON CORPORATION OF OREGON, Declarant of MURRAY PARK CONDOMINIUMS, and will be recorded in the Deed

PAGE 31. BYLAWS

RECEIVED  
MAR 17 1980  
REC'D OFFICE OF THE  
CLERK OF THE

56

March 24, 1980

HILLSBORO

Records of Washington County, together with the Declaration of Unit Ownership for said condominium, after said Declaration and Bylaws are approved by the Assessor of said County.

DATED this 6th day of March, 1980.

L. B. NELSON CORPORATION OF OREGON

By: [Signature]  
Samuel C. Hathorn, Jr.  
Vice President

By: [Signature]  
David H. Cook  
Vice President

STATE OF OREGON )  
County of Multnomah ) ss. March 6, 1980

Personally appeared Samuel C. Hathorn, Jr., and David H. Cook, who, being duly sworn, did say that they are Vice Presidents of L. B. Nelson Corporation of Oregon, and

in behalf of said corporation by authority of its board of directors; and they acknowledged said instrument to be its voluntary act and deed.

BEFORE ME:

[Signature]  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 5-16-83

PAGE 32. BYLAWS

57

RECORDED  
MARCH 17 1980

HILLSBORO

March 24, 1980

STATE OF OREGON  
County of Washington

*deeds*  
SS

I, Roger Thomssen, Director of Records and Elections and Ex-Officio Recorder of Conveyances for said county, do hereby certify that the within instrument of writing was received and recorded in book of records of said county.

ROGER THOMSEN, Director of Records & Elections

19950  
FA

1980 MAR 24 PM 4:30

*30  
CR-19950*

*58*

*March 24, 1980*

HILLSBORO