

BYLAWS
of
TREEHILL PARK UNIT OWNERS ASSOCIATION

1.0 PLAN OF UNIT OWNERSHIP

1.1 Unit Ownership. The project located in the County of Multnomah, State of Oregon, known as TREEHILL PARK CONDOMINIUMS, is submitted to the provisions of Oregon Revised Statutes, Sections 91.500 to 91.671.

1.2 Bylaws Applicability. The provisions of these bylaws are applicable to the project, the owners, Association and the entire management structure thereof. (The term "project" as used herein shall include the land.)

1.3 Personal Application. All present or future owners, tenants, future tenants, or their employees, or any other person who might use the facilities of the project in any manner, are subject to the regulations set forth in these bylaws.

The mere acquisition or rental of any of the 108 Units (hereinafter referred to as "Units") of the project or the mere act of occupancy of any said Units will signify that these bylaws are accepted, ratified, and will be complied with.

2.0 VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

2.1 Voting. Voting shall be on a percentage basis and the percentage of the vote to which the owner is entitled shall be the percentage rights in common elements assigned to the respective Units in the Declaration of Unit Ownership.

2.2 Majority of Owners. As used in these bylaws the term "majority of owners" shall mean those owners holding over 51% of the votes (general common elements) in accordance with the percentage assigned in the Declaration of Unit Ownership. "Majority of owners present" shall mean owners holding over 50% of the votes at any legal meeting.

2.3 Quorum. Except as otherwise provided in these bylaws, the presence in person or by proxy of a "majority of owners" as defined in Section 2.2 shall constitute a quorum.

2.4 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the secretary before the appointed time of each meeting. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. Voting may be by proxy ballot, as the directors may elect, rather than at a formal meeting.

2.5 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.

3.0 ADMINISTRATION

3.1 Association Responsibilities. The owners of the Units will constitute the Treehill Park Unit Owners Association (hereinafter referred to as "Association") who will have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments and, if required, arranging for the management of the project pursuant to an agreement containing provisions relating to the duties, obligations, removal and re-election of the management team. Except as otherwise provided in the Declaration of Unit Ownership 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 lawfully called pursuant to these bylaws at which a quorum is present in person or by proxy. A legal vote by ballot will require return of ballots of over 50% of the votes of owners.

1979

21

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3.2 Place of Meetings. Meetings of the Association shall be held at the principal office of the project or such suitable place convenient to the owners as may be designated by the Board of Directors.

3.3 Initial Meeting. The initial organizational meeting will be held following the closing of the escrow conditioned upon the sale of not fewer than 25 of the Units and the meeting shall be called by notice to each owner of a Unit not less than seven (7) days before the meeting as to the time and place thereof. Each Unit owner will execute a Memorandum of Action of that meeting in the escrow closing for his Unit.

3.4 Annual Meetings. The time of the first annual meeting of the Association shall be set by action of the Board of Directors. Annual meetings, 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 set out in these bylaws. At such meetings there shall be elected by ballot of the Unit owners a Board of Directors in accordance with the requirements of Section 4.5 of these bylaws. The owners may also transact such other business of the Association as may properly come before them.

3.5 Special Meetings. It shall be the duty of the president to call a special meeting of the Unit owners as directed by resolution of the Board of Directors or upon a petition signed by 10% or more of the owners and having been presented to the secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all the Unit owners or as otherwise set out in these bylaws.

3.6 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 as well as the time and place where it is to be held, to each Unit owner of record at least ten (10) but not more than sixty (60) days prior to such meeting. The mailing shall be to the address last given the secretary in writing by the Unit owner or his vendee. If unit ownership is split or being sold on a contract, the interested parties, collectively, shall advise the Secretary which of their number is the designated addressee to be given notice. If no written designation is communicated to the Secretary, 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.

3.7 Adjourned Meetings. If any meeting of Unit owners cannot meet 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 48 hours from the time the original meeting was called.

3.8 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 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.

4.0 BOARD OF DIRECTORS

4.1 Number and Qualification. The affairs of the Association shall be governed by the Board of Directors composed of five (5) persons, or more, as the existing directors unanimously agree, each of whom must be owner of an interest in a Unit in the project, provided that husband and wife may not serve as directors simultaneously. The directors and officers shall receive no

1979

21

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DOM 1338 HALL 2486

compensation but may be reimbursed for expenses incurred in connection with performance of their duties.

4.2 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 acts and things as are not by law or by these bylaws directed to be exercised and done by the owners.

4.3 Other Duties. In addition to duties imposed by these bylaws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

(a) Care, upkeep and surveillance of the project and the general common elements and the limited common elements, if any.

(b) Designation and collection of monthly assessments from the owners in accordance with these bylaws and the Oregon Unit Ownership Law.

(c) Payment of all common expenses of the Association and set up a voucher system for such payment acceptable and approved by the Board of Directors with the proper number of signatories thereon as otherwise designated by said Board.

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

(e) Promulgation and enforcement of rules of conduct of condominium owners, employees, and invitees and the use or restrictions thereof relative to all common elements.

4.4 Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as

1979

21

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BOOK 1338 PAGE 2487

the Board shall authorize including, but not limited to, the duties listed in Section 4.3. The managing agent shall have the right to contract with or lease from any Unit owner, for the management of said Unit, individually or collectively with the other Unit owners.

4.5 Election and Term of Office. At the initial meeting of the Association the term of office of two directors shall be fixed for three (3) years. The term of office of two directors shall be fixed at two (2) years, and the term of office of one director shall be fixed at one (1) year. Should more directors be added, the same sequential election terms shall apply as near as is practicable. At the expiration of the initial term of office of each respective director, and thereafter, each successor director shall be elected to serve a term of three (3) years. A director shall hold office until his successor has been elected and attends his first meeting. (If a larger Board of Directors is contemplated, the terms of office should be established in a similar manner so that they will expire in different years.)

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

4.7 Removal of Directors. At any legal regular or special meeting, 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.

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

4.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. 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.

4.10 Special Meetings. Special meetings of the Board of Directors may be called by the chairman or on the written request of at least two (2) 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.

4.11 Waiver of Notice. 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 shall be required and any business may be transacted at such meeting.

4.12 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute

1979

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BOOK 1338 PAGE 2489

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.

4.13 Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

5.0 OFFICERS

5.1 Designation. The principal officers of the Association shall be chairman, a secretary, and a treasurer, each 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.

5.2 Election of Officers. The officers of the Association may be elected by the Board of Directors at the organization meeting of each new Board or any Board meeting thereafter, and shall hold office at the pleasure of the Board.

5.3 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.

5.4 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 only in case of a tie vote at any such meeting and his vote shall be final.

5.5 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.

5.6 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.

5.7 Directors as Officers. Any director may be an officer of the Association.

6.0 ADMINISTRATION, ASSESSMENTS, LIENS

6.1 The Board of Directors of the Association shall administer the affairs of the condominium for the benefit of the Unit owners and shall administer, maintain, repair or replace the common elements and shall have authority to raise by assessment against the Units, funds to pay the common expenses contemplated by the Declaration of Unit Ownership or the provisions of these bylaws.

6.2 Each owner of any Unit within the properties by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is and shall be deemed to covenant and agree to pay all assessments assessed

pursuant to the terms of the Declaration of Unit Ownership or the provisions of these bylaws. In the event additional units are proposed to be annexed pursuant to subsection (2) of ORS 91.530, or in event of addition of Units through development of Phase II or Phase III, as contemplated by the Declaration, and in event such additions are added during the course of the fiscal year, that year's assessments shall be prorated.

6.3 The assessments set by the Association shall be collected by the Association through its Board of Directors and by the directors held and utilized only for the purpose of paying common expenses as the term is used in the Declaration of Unit Ownership or the provisions of these bylaws. The Association shall be obligated to hold, and ultimately to expend all assessments paid by the Unit owners for the purposes described in this Section 6.0 as a condition of the agreement by the Unit owners to pay such assessments.

6.4 Funds received by the Association through assessments paid shall be expended by the Association only when it has received a bill for property or services provided to it or others, which are within the scope of the purposes for the assessments, as defined in this section 6.0 or expense reimbursements provided in section 4.1. The Association shall not expend any paid assessments for any other purpose, and no Unit owner shall have any personal interest in assessments paid, or levied but unpaid, nor any right to withdraw or assign any portion of accrued and unexpended assessments on hand with the Association.

6.5 In the event of the dissolution of the Association, all unexpended assessments shall be disbursed in their entirety by the Association for the purposes set forth in Section 6.3.

6.6 All sums assessed by the Association, but unpaid, for the share of the common expenses and utility services chargeable to any Unit shall constitute a lien on such Unit as defined in

the Declaration of Unit Ownership, and the directors of this Association shall have all authority contemplated by the provisions for such lien and its foreclosure.

6.7 All agreements and determinations lawfully made by the Association in accordance with the weighted voting percentages established pursuant to Section 2.1 shall be deemed to be binding on all Unit owners, their successors and assigns.

7.0 RIGHT OF ENTRY

7.1 Each Unit owner and each lessee or other occupant of any Unit grants the right of entry to the management agent or to any other person authorized by the Board of Directors of the Association, in case of an emergency originating in or threatening a Unit, whether or not the owner, lessee or occupant is present at the time.

7.2 Each Unit owner, lessee or occupant, shall permit the Association, or its representatives, when so required, to enter his Unit for the purpose of performing maintenance functions, performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the occupant. In case of an emergency, such right of entry shall be immediate.

8.0 MAINTENANCE AND REPAIR

8.1 Every Unit owner must perform promptly all maintenance and repair work within his own Unit which, if omitted, would affect the project in its entirety or in a part belonging to other owners, and each shall be responsible for the damages and liabilities that his failure to do so may engender.

8.2 All the repairs of internal installations of the Unit such as water, hot water heater, light, gas, power, sewage, telephones, air conditioners, sanitary installations, water and sewer lines servicing the Unit, doors, windows, lamps, and all

1979

21

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other accessories belonging to or surrounding the Unit area shall be at the Unit owner's expense and responsibility.

8.3 An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and facility damaged through his fault, not otherwise covered by insurance owned by the condominium Association for the owner's and Association's benefit.

9.0 USE OF UNITS - INTERNAL CHANGES

9.1 Units shall be utilized for residential living only. Common elements shall continue as such; provided, however, the Board of Directors shall have the right to expand any common area functions to include any compatible income producing activity.

9.2 An owner shall not make structural modifications or alterations in his Unit or installations located therein or surrounding the Unit without previously securing Consent of the Association. He shall secure such consent by applying to 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 respond 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.

10.0 USE OF GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

10.1 An owner shall not place or cause to be placed in the lobbies, decks, ramps, vestibules, stairways, and other general common elements and facilities of a similar nature, any furniture, packages or objects of any kind. Both general and limited common elements shall be used for no purpose other than what is normal.

11.0 RULES OF CONDUCT

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

1979

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1338 PAGE 2494

11.2 Residents shall exercise extreme care about creating disturbances, making noises, or the use of musical instruments, radios, television and amplifiers that may disturb other residents.

11.3 It is prohibited to hang garbets, rugs, etc., from the windows or from any of the facades or decks, patios or terraces of the project.

11.4 It is prohibited to hand or shake dust rags, mops, etc., from the windows or porches or terraces, or to clean rugs, mops, etc., by beating on any exterior part of the project.

11.5 It is prohibited to throw garbage or trash outside the disposal installations provided for such purposes in the service area.

11.6 No owner, resident or lessee shall install wiring for electrical or telephone installation, television antennae, machines or air conditioning units, etc., on the exterior of the project or that protrude through the walls or the roofs of the project except as authorized by the Association. No window guards, awnings or shades shall be installed without prior consent.

11.7 No exterior antennas shall be allowed except those installed by the Association.

11.8 Vehicular traffic on the streets and drives within the property will 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.

11.9 No boats, trailers, campers or other recreational vehicle or other equipment or personal property shall be stored in common elements, except for parking of automobiles as specifically permitted by the Declaration or these bylaws.

12.0 AMENDMENTS TO BYLAWS

12.1 These bylaws may be amended by the Association in a duly constituted meeting called for such purpose and no amendment

shall take effect unless approved by seventy-five percent (75%) of the Unit owners and until a copy of the bylaws as amended or the amendment thereto, certified by the chairman and secretary of the Association, is recorded after such approval by the Real Estate Commissioner as may be required by statute.

13.0 COMPLIANCE

13.1 These bylaws are set forth to comply with the requirements of the Oregon Unit Ownership Law, which are incorporated herein. In case any of these bylaws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

14.0 INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS.

14.1 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 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 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

1978
12
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BOOK 1338 PAGE 2496

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 rights to payments made. All persons who are ultimately 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.

15.0 SUITS AND ACTIONS

15.1 In the event an 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 these bylaws or of the Oregon Unit Ownership Law, the owner or owners found to be obligated to pay any such amounts, jointly and severally, in addition to all other obligations, will pay the costs of such suit or action including a reasonable attorney's fee in the appellate court to be fixed by such court. In any foreclosure suit against a Unit, the Unit owner or owners may be required to pay a reasonable rental for the Unit, and the plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect the rent.

DATED at Portland, Oregon, this 31st day of October, 1978.

NU-WEST PACIFIC, INC., a Washington corporation
By [Signature] Agent
By [Signature] Agent

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1338

STATE OF OREGON

) ss

County of

We, JAMES H. BRIGHT and DONNA TAYLOR, hereby certify that we are the duly elected and qualified President and Secretary, respectively, of the TREEHILL PARK UNIT OWNERS and that the within and foregoing is a full, true and complete copy of the bylaws of said Association, duly adopted on the 31st day of October, 1978, by NU-WEST PACIFIC, INC., the sole owner of all the units therein.

IN WITNESS WHEREOF, we have hereunto set our official signatures this 31st day of October, 1978.

James H. Bright
President

Donna Taylor
Secretary