

9622258

BYLAWS OF OAK PARK TOWNHOUSES HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership: The townhouses, located at 1500 Norkenzie Road, Eugene, in Lane County, Oregon, as more particularly described in Exhibit "A" attached hereto and incorporated by reference, known as Oak Park Townhouses, is submitted to the provisions of Oregon Revised Statutes, Sections 94.550 to 94.783, Planned Communities.

Section 2. Bylaws Applicability. The provisions of these Bylaws are applicable to all townhouses, the Association of Unit Owners, and the entire management structure thereof.

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 townhouses in any manner, are subject to the regulations set forth in these Bylaws. The acquisition, occupancy, or rental of any of the units of the townhouses or the mere act of occupancy of any such units will constitute acceptance and ratification of these Bylaws and agreement to comply with all the provisions hereof.

Section 4. Definitions. Except as otherwise provided below, the terms herein shall have the meaning set forth in the Oregon Revised Statutes, ORS 94.550 to 94.783, as supplemented by the Declaration of a Planned Community (ORS 94.580) for the Oak Park Townhouses Association (hereafter "Declaration"), dated _____, 1996, and executed by Donegal Development Corporation (hereafter "Declarant"). Said statutes and definitions are incorporated herein by this reference.

Section 5. Name: The name of the unit owners' association for the Oak Park Townhouses shall be "Oak Park Townhouses Association," hereinafter referred to as the Association.

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, and shall remain a member of the Association until such person's ownership ceases for any reason. For all purposes of the Declaration, and the administration of the property, unit ownership shall be determined from the records 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 the unit purchased, to which shall be affixed the certificate of the recording officer of the County of Lane, Oregon, showing the date and place of recording of such deed or contract. A copy of the deed or contract filed with the Association as provided above, showing such person to be the current

9622258

owner or contract purchaser of a unit, shall cause such person to be recognized as a unit owner. 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 or co-owner of each unit shall be entitled to one vote per unit. The calling and conducting of meetings of the Association of Unit Owners and the exercise of voting rights shall be controlled by Articles II and III of the Bylaws.

Section 3. Majority of Owners. As used in these Bylaws, the term "majority" shall mean those owners holding over fifty percent (50%) of the voting rights allocated to the unit owners in accordance with the Declaration and Section 2 above. "Majority of owners present" shall mean owners holding over fifty percent (50%) of the votes present at any legal meeting.

Section 4. Quorum for Association Meetings. A quorum for any meeting of the association shall consist of the number of persons who are entitled to cast 20 percent of the votes which may be cast for election of the board of directors and who are present in person or by proxy at the beginning of the meeting.

Section 5. Voting; Proxy Voting. The vote or votes of a lot may be cast by absentee ballot or pursuant to a proxy executed by the owner. An owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the association. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one year after its date unless the proxy specifies a shorter term.

Section 6. Authority to Vote: All owners shall be entitled to vote, including those who have leased their premises to a third party. A purchaser under a land sale contract entitled to immediate possession of the unit shall be deemed the owner thereof, unless otherwise provided in such contract.

Section 7. Educators and Joint Owners. An executor, administrator, guardian, or trustee may vote, in person, by proxy, or ballot, at any meeting of the Association with respect to any unit owned or held in such capacity, whether or not the same shall have been transferred to the holder's name; provided, that the holder shall satisfy the Secretary of the holder's status as an executor, administrator, guardian, or trustee. 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 of that unit. 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, but this limitation will not preclude counting the owner(s) for purposes of establishing a quorum.

Section 8. Action by Association: Legal Meeting. 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

9622258

pursuant to these Bylaws where a quorum is present in person or by proxy.

ARTICLE III

DECLARANT CONTROL; TURNOVER OF ADMINISTRATIVE CONTROL

Section 1. Transitional Advisory Committee. Not later than the 60th day after the declarant has conveyed the lots representing 50 percent of the votes, the declarant shall call a meeting of owners for the purpose of selecting a transitional advisory committee. The committee shall consist of three members. The owners, other than the declarant, shall select two members. The declarant may select one member. The committee shall have reasonable access to all information and documents which the declarant is required to turn over to the association pursuant to Article III, Section 3 of these Bylaws.

a. An owner may call a meeting of owners to select the transitional advisory committee if the declarant fails to do so as provided above.

b. Notwithstanding section (1) of this section, if the owners do not select members for the committee as provided, the declarant shall have no further obligation to form the committee.

c. The requirement for a transitional advisory committee shall not apply once the turnover meeting is called under Article III, subsection 3.

Section 2. Notice of Meeting to Turn over Administrative Responsibility. Not later than 120 days after lots representing 75 percent of the votes have been conveyed, the declarant shall call a meeting for the purpose of turning over administrative responsibility for the planned community to the homeowners association, as follows:

a. The declarant shall give notice of the meeting to each owner as provided in Article IV, Subsection 7 of these Bylaws.

b. If the declarant does not call a meeting under this section within the required time, the transitional advisory committee or any owner may call a meeting and give notice as required in the Bylaws.

Section 3. Turnover Meeting; Transfer of Administration. The declarant shall turn over to the homeowners association the responsibility for the administration of the townhouses, and the association shall accept the administrative responsibility from the declarant, as follows:

a. The owners shall elect a board of directors in accordance with the Bylaws of the association.

b. At the turnover meeting, the declarant shall deliver to the association:

1. The original or a photocopy of the recorded declaration and copies of the Bylaws and the articles of incorporation, if any, of the planned community and

9622258

any supplements and amendments to the articles or Bylaws;

ii. A deed to the common property in the planned community, unless otherwise provided in the declaration;

iii. The minute books, including all minutes, and other books and records of the association and the board of directors;

iv. All rules and regulations adopted by the declarant;

v. Resignations of officers and members of the board of directors who are required to resign because of the expiration of any period of declarant control;

vi. A report on the present financial position of the association, consisting of a balance sheet and an income and expense statement for the 12-month period or a period following the recording of the declaration, whichever period is less;

vii. All funds of the association and control of the funds;

viii. All tangible personal property that is property of the association, and an inventory of the property;

ix. Records of all property tax payments for the common property to be administered by the association;

x. Copies of any income tax returns filed by the declarant in the name of the association, and supporting records for the returns;

xi. All bank signature cards;

xii. The reserve account established in the name of the association, Article VI of the Declaration;

xiii. An operating budget for the portion of the townhouses turned over to association administration and a budget for replacement and maintenance of the common property;

ARTICLE IV

ADMINISTRATION

Section 1. Association Responsibilities. The owners of the units as described in Article II, Section 1 of the Bylaws, 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 townhouses, including negotiating and contracting with and supervising

9622258

any person, persons, or business entity with respect to such matters.

Section 2. Association Duty to Keep Documents and Records, Examination.

1. The association shall retain the documents, information and records delivered to it by the declarant pursuant to Article III, Section 3 of the Bylaws.

2. The association shall keep financial records sufficiently detailed for proper accounting purposes. Within 90 days after the end of the fiscal year, the board of directors shall distribute to each owner and, upon written request, any mortgagee of a lot, a copy of the annual financial statement consisting of a balance sheet and income and expenses statement for the preceding fiscal year.

3. The association shall make the documents, information and records described in subsections 1 and 2 of this section and all other records of the association reasonably available for examination by any owner and any mortgagee of a lot. Upon the written request of an owner or mortgagee of a lot the association shall make available during reasonable hours all such records for duplication. The association shall maintain a copy, suitable for the purpose of duplication, of the following:

a. The declaration, bylaws, association rules and regulations and any amendments or supplements to them;

b. The most recent financial statement prepared pursuant to subsection 1 of this section;

c. The current operating budget of the association.

4. The association, within 14 days after receiving a written request from an owner, the declarant or a prospective purchaser, shall furnish a copy of the Statement of Planned Community Information prepared in accordance with ORS 94.760.

5. Upon written request of a prospective purchaser, the association shall make available for examination and duplication during reasonable hours the documents and information specified in subsection 3(a), (b) and (c) of this section.

6. The association may charge a reasonable fee for furnishing copies of any documents, information or records described in this section.

Section 3. Authority of Association to Sell or Transfer Common Property.

1. Except as otherwise provided in the declaration, a homeowners association may sell, convey or subject to a security interest any portion of the common property if 80 percent or more of the votes in the homeowners association, including 80 percent of the votes of lots not owned by a declarant at the time of the vote, are cast in favor of that action. The association shall treat proceeds of any sale under this section as an asset of the association. This section does not apply to the granting of easements for public utilities, telecommunications utilities or

9622258

for other public purposes consistent with the intended use of such common property by the planned community.

2. A sale, transfer or encumbrance of the common property or any portion of the common property made pursuant to a right reserved in the declaration under this section may provide that the common property be released from any restriction imposed on the common property by the declaration. However, a sale, transfer or encumbrance may not deprive any lot of its right of access or support without the consent of the owner of the lot.

Section 4. Place of Meetings. Formal meetings of the Association shall be held at the principal office of the townhouses or such other suitable place convenient to the owners as may be designated by the Board of Directors.

Section 5. Annual Meetings. The homeowners association shall hold at least one meeting of the owners each calendar year. The first annual meeting of the Association shall be held in the calendar year following the calendar year in which the turnover 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, new members of the board of directors shall be elected by the owners in accordance with the requirements of Section 8 of Article V of these Bylaws, to replace those directors whose terms have expired. The owners may also transact such other business of the Association as may properly come before them.

Section 6. Special Meetings. It shall be the duty of the Chair to call a special meeting of the owners as directed by the President, a majority 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 shall be held within sixty (60) days after receipt of the petition. 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.

Section 7. Notice of Meetings. Not less than 10 or more than 50 days before any meeting called under this section, the secretary or other officer specified in the bylaws shall cause notice to be hand delivered or mailed to the mailing address of each lot or to the mailing address designated in writing by the owner, and to all mortgagees that have requested such notice. If delivery is made by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association. Mortgagees may designate a representative to attend a meeting called under this section. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes or any proposal to remove a director or officer.

Section 8. Adjourned Meetings. If any gathering of owners is not a legal meeting

9622258

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 nor more than ten (10) days from the time the original meeting was held.

Section 9. 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 directors;
- g. Unfinished business;
- h. New business;
- i. Adjournment.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the association shall be governed by a board of directors composed of five (5) persons, each of whom must be a unit owner or the co-owner of a unit. An officer or employee of a corporation, or the trustee of a trust, or personal representative of an estate, or an employee of the trust or estate may serve on the board of directors, if the corporation, trust, or estate owns a unit.

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. Except as otherwise provided, a majority of the existing directors present and voting at any legal meeting of the board shall constitute a quorum for the transaction of business and the acts of the majority of directors may decide any issue properly before the board. In the performance of their duties, officers and members of the board of directors shall exercise the care required of fiduciaries.

The board of directors may not act on behalf of the association to amend the declaration, terminate the planned community, elect members of the board of directors or determine the qualifications, powers, duties or terms of office of members of the board of

9622258

directors. However, the board of directors may fill vacancies in its membership for the unexpired portion of any term.

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. Maintaining a current mailing address of the association;
- b. Annually reviewing the insurance coverage of the association;
- c. Annually filing the necessary income tax returns for the association;
- d. Providing for the care, upkeep, and supervision of the townhouses and the common elements, 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;
- e. Establishment and maintenance of replacement reserve accounts and other reserves which are required to be maintained by these Bylaws and the Declaration and such other reserve accounts as are permitted by these Bylaws;
- f. Designation and collection of monthly assessments from the owners, in accordance with these Bylaws and the declaration;
- g. Establishment of a budget and 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;
- h. Obtaining and maintaining insurance policies and payment of premiums therefor out of the common expense funds in respect to both the common elements and individual units as more specifically provided in Article IX of these Bylaws;
- i. Designation and dismissal of the personnel necessary for the maintenance and operation of the townhouses;
- j. Causing the preparation and distribution of annual financial statements of the townhouses to each of the unit owners;
- k. Adoption and amendment of administrative rules and regulations governing the details of operation and use of the common elements. Provided, however, any such rules or regulations shall always be subject to rescission or amendment by the Association upon majority vote of owners present at any properly called meeting.

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

9622258

services as the board shall authorize, provided however, that any such professional management contract may not be entered into for a term exceeding one (1) year, and provided further that such management contract may be terminated with cause upon thirty (30) days' written notice, and ninety (90) days' written notice without cause.

Section 5. Interim Directors. Upon the filing of the Declaration, the declarants shall appoint an interim board of three (3) directors (who need not be owners of units), who shall serve until replaced by declarants, or election of their successors by the unit owners at the turnover meeting as provided for in the Bylaws in Article III. After the appointment of the transitional committee, the interim board shall work closely with it to acquaint the members of the transitional committee with the procedures and operations of the townhouses.

Section 6. Election and Term of Office. At the turnover meeting of the association, the term of office of two (2) directors shall be fixed for two (2) years. The term of office of three (3) directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, a successor shall be elected to serve a term of two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting. At the turnover meeting, upon agreement by vote of the owners, the board of directors may be elected by a single ballot with each owner permitted to vote for five (5) nominees. In such event, the two (2) nominees receiving the highest number of votes shall be the two (2) year directors and the three (3) nominees receiving the next highest number of votes shall be the one (1) year 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. Each person so elected shall be a director until a successor is elected upon expiration of the original term to which such person was elected by the other directors.

Section 8. Removal of Directors. Notwithstanding any contrary provision of the declaration or bylaws the ownership may remove any member of the board of directors, other than members appointed by the declarant or persons who are ex officio directors, with or without cause, by a majority vote of all owners present and entitled to vote at any meeting of the owners at which a quorum is present. No removal of a director is effective unless the matter of removal is an item on the agenda and stated in the notice for the meeting required under Article IV, Subsection 7 of the Bylaws.

Section 9. Organizational Meeting. The first meeting of a newly-elected board of directors shall be held within ten (10) days of their election, at such time and place as shall be fixed by the directors at the meeting at which such directors were elected. No notice to the newly-elected directors shall be necessary to make such meeting legal, provided a majority of the newly-elected directors are present when the time and place of such meeting is fixed.

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. Regular meetings of the board of directors may be called by the Chair on three (3) days' notice

9622258

to each director, given personally or by mail, telephone, telegraph, or other similarly reliable method, which notice shall state the time, place, and purpose of the meeting.

Section 11. Telephone Meetings: Only emergency meetings of the board of directors may be conducted by telephonic communication.

Section 12. Special Meetings. Special meetings of the board of directors may be called by the Chair 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, and purpose of the meeting.

Section 13. Emergency Meetings. Emergency meetings may be held without notice, if the reason for the emergency is stated in the minutes of the meeting. Emergency meetings of the board of directors may be conducted by telephonic communication.

Section 14. 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 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 15. 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 is less than a quorum present, the majority of those present may adjourn the meeting from time to time. Upon reconvening 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 Meetings Open to All Association Members. All meetings of the board of directors shall be open to all members of the association. 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 chair 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 Meetings. For other than emergency meetings, notice of board of directors meetings shall be posted, at a reasonable location on the townhouse property which has been generally publicized to the unit owners, 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.

Section 16. Fidelity Bonds. The board of directors shall require adequate fidelity bonds for all officers and employees of the association handling or responsible for association funds. The premiums of such bonds shall constitute a common expense.

9622258

Section 17. Compensation. No director shall receive any compensation from the association for exercising his or her duties and obligations as a director, except for out of pocket expenses.

Section 18. Conduct of Meetings. The president shall preside over all meetings of the board of directors and the secretary shall keep a minute book of the board of directors recording therein all resolutions adopted by the board of directors and a record of all transactions and proceedings occurring at such meetings. Roberts Rules of Order (latest edition) as modified by the board of directors shall govern the conduct of the meetings of the board of directors when not in conflict with the declaration of these Bylaws. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the board.

ARTICLE VI

OFFICES

Section 1. Designation. The principal officers of the association shall be the president, vice-president, the secretary and the treasurer, all of whom shall be elected by the board of directors. The board of directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The president and treasurer, but no other officers, shall be required to be members of the board of directors. The offices of president and secretary may not be held by the same person.

Section 2. Election of Officers. The officers of the association shall be elected annually by the board of directors at the organization meeting of each new board of directors. They shall serve for a one year period or shall sooner resign by written notice to the board of directors, president or secretary. A vacancy in any office may be filled by the board of directors.

Section 3. Removal of Officers. Upon the 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 or her successor may be elected at any regular meeting of the board of directors, or at any special meeting of the board of directors.

Section 4. President. The president 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 power and duties which are incident to the office of president of a corporation organized in the State of Oregon, 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.

Section 5. Vice-President. The Vice-President shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice-president is able to act, the board of directors shall appoint some other member of the board of directors to act in the place of the president, on an interim basis. The vice-president shall also perform such other duties as shall from time to time be imposed upon him by the board of directors or by the president.

9622258

Section 6. Secretary. The secretary shall keep the minutes of all meetings of the association and of the board of directors; he shall have charge of such books and papers as the board of directors may elect, and he shall, in general, perform all of the duties incident to the office of the secretary of a corporation organized in the State of Oregon.

Section 7. Treasurer. The treasurer shall have the responsibility for association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; he shall be responsible for the deposit of all monies and other valuable effects in the name of the board of directors, in such depositories as may from time to time be designated by the board of directors. He shall cause an annual audit of the association books to be made by a public accountant at the completion of each fiscal year; and shall with the board of directors, prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members. The treasurer may assign his duties to the managing agent.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks, and other instruments of the association shall be executed by any two (2) officers of the association, or by such other person or persons as may be designated by the board of directors.

Section 9. Compensation of Officers. No officer shall receive any compensation from the association solely for exercising his duties and obligations as an officer.

VII

LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Liability and Indemnification of Officers and Directors. The association shall indemnify every officer and director of the association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the then board of directors of the association) to which he may be made a party by reason of being or having been an officer or director of the association whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the association shall not be liable to the owners for any mistakes of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the association (except to the extent that such officers or directors may also be owners of lots) and the association shall indemnify and forever hold each such officer and director free and harmless against any and all liabilities to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the association or former officer or director of the association may be entitled.

Section 2. Common Interested Directors. The directors shall exercise their powers and duties in good faith and with a view to the interests of the association. No contract or other

9622258

transaction between the association and one or more of its directors, or between the association and any corporation, firm or association (including the declarant), in which one or more of the directors of the association are directors or officers or are peculiarly or otherwise interested, is either void or voidable because such director or directors are present at the meeting of the board of directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purposes, if any of the conditions specified in any of the following subparagraphs exist:

a. The fact of the common directorate or interest is disclosed or known to the board of directors or a majority thereof or noted in the minutes, and the board authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

b. The fact of the common directorate or interest is disclosed or known to the members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

c. The contract or transaction is commercially reasonable to the association at the time it is authorized, ratified, approved, or executed.

Common or interested directors may be counted in determining the presence of a quorum of any meeting of the board of directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such director or officer of such association or not so interested.

ARTICLE VIII

OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Assessments Against Owners.

a. Fiscal Year. The fiscal year of the association shall consist of the twelve (12) month period commencing on January 1 of each year and terminating on December 31 of the same year, unless otherwise designated by the board of directors.

b. Preparation and Approval of Budget: At least thirty (30) days before the end of each fiscal year the board of directors shall adopt a budget for the association containing an estimate of the total amount which it considers necessary to pay the cost of utility services (not including utility service serving individual dwelling units), maintenance, management, operation, repair and replacement of association property, and lots (but not including dwelling units, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be common expenses by these Bylaws, declaration or a resolution of the association, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the association property, and lots, and the rendering to the owners of all related services, subject to Article V, of the declaration. The budget may also include:

9622258

i. The cost of the maintenance or repair of any lot or dwelling unit in the event such maintenance or repair is reasonably necessary in the discretion of the board of directors to protect the common area or to preserve the appearance or value of the association property or is otherwise in the interest of the general welfare of all owners; provided, however, that no such maintenance or repair shall be undertaken without a resolution by the board of directors and not without reasonable written notice to the owner of the lot or dwelling unit proposed to be maintained and provided further that the cost thereof shall be assessed against the lot or dwelling unit on which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered promptly to the then owner of said lot or dwelling unit at which time the assessment shall become due and payable and a continuing lien and obligation of said owner in all respects as provided in the declaration.

ii. Any amount necessary to discharge any lien or encumbrance levied against the association property or any portion thereof, which may, in the opinion of the board of directors, constitute a lien against the association or any portion thereof, which may, in the opinion of the board of directors, constitute a lien against the association rather than the interest therein of the owner of any individual lot.

iii. Such budget may also include such reasonable amounts as the board of directors considers necessary to provide working funds for the association, a general operating reserve or reserves for contingencies and replacement.

c. The board of directors shall send to each owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the common expenses payable by each owner. The said budget shall constitute the basis for determining each owner's contribution for the common expenses of the association. Within 30 days after adopting a proposed annual budget for the planned community, the board of directors shall provide a summary of the budget to all owners. If the board of directors is petitioned by owners representing 20 percent of the votes of the planned community, the board shall call a meeting of the owners to consider rejection of the budget. The date of the meeting shall be not less than 14, or more than 30 days after the summary is provided to the owners. At the meeting, whether or not a quorum is present, the budget shall be adopted unless a majority of the votes of the planned community or any larger vote specified in the bylaws rejects the budget. If the proposed annual budget is rejected, the last annual budget shall continue in effect until the owners approve a subsequent budget.

d. The payment and collection of the assessment made pursuant to the foregoing provisions shall be in accordance with the terms providing for the payment and collection of assessments in the Bylaws and Declaration including, without limitation, the right reserved to the Board to accelerate payment of assessments and the right to recover attorney fees and costs.

e. Establishment of Reserve Account. The declarant shall establish a reserve

9622258

account as set forth in Article VI of the Declaration for replacement of all items of common property which will normally require replacement, in whole or in part, in more than three and less than 30 years. The items may be identified in the reserve account as those which are insurable by a common carrier of all purpose risk insurance.

A reserve account established under this section shall be funded by assessments against the individual lots for maintenance of items for which the reserves are established. The assessments under this subsection begin accruing from the date the first lot assessed is conveyed. These assessments may be shown as a separate item in the sales contract. The declarant may defer payment of the accrued assessment for a lot under this subsection until the date the lot is conveyed.

The amounts assessed shall take into account the estimated remaining life of the items for which the reserve is created and the current replacement cost of those items.

The reserve account shall be established in the name of the homeowners association. The association is responsible for administering the account and for making periodic payments into it. The association shall adjust the amount of the payments at regular intervals pursuant to the Declaration to reflect changes in current replacement costs over time.

The account may be used only for replacement of common property and is to be kept separate from assessments for maintenance. However, after the individual lot owners have assumed responsibility for administration of the planned community, the board of directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet other temporary expenses. Funds borrowed to meet temporary expenses under this subsection must be repaid later from special assessments or maintenance fees.

Nothing in this section prohibits prudent investment of reserve account funds subject to any constraints imposed by the declaration, bylaws or rules of the association.

Following the second year after the association has assumed administrative responsibility for the planned community under ORS 94.616, if owners of lots representing 75 percent of the votes of the planned community agree to the action, they may vote to increase, reduce or eliminate future assessments for the account, pursuant to Article VI of the Declaration.

Assessments paid into the reserve account are the property of the association and are not refundable to sellers or owners of lots. The sellers or owners of lots may treat their outstanding share of the reserve account as a separate item in the sales contract.

f. Reserves. The board of directors shall maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against reserves. If the reserves are inadequate

9622258

for any reason, including nonpayment of any owner's assessment, the board of directors may at any time levy a further assessment, which shall be assessed against the owners pursuant to the Declaration and which may be payable in a lump sum or in installments as the board of directors may determine and subject to Articles V and VI of the Declaration. The board of directors shall serve notice of any such further assessment on all owners by a statement in writing giving the amount and reason therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment or, if the additional payment is not payable in installments, the amount of such assessment. The payment and collection of the assessment made pursuant to the foregoing provisions shall be in accordance with the terms providing for payment and collection of assessments in the Declaration and these Bylaws, including, without limitation, the right reserved to the board to accolorate payments of assessments and the right to recovery of attorney fees and costs.

g. Effect of Failure to Prepare or Adopt Budget. The failure or delay of the board of directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver of release in any manner of an owner's obligation to pay his allocable share of the common expenses as herein provide, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, each owner shall continue to pay the assessment at the then existing rate established for the previous fiscal period until the new annual or adjusted budget shall have been mailed or delivered.

h. Accounts. The board shall establish no fewer than two (2) separate accounts (the "Maintenance Funds") into which shall be deposited all monies paid to the association, and from which disbursements shall be made, as provided herein, in the performance of functions by the association under the restrictions. Each of the Maintenance Funds shall be established as separate trust savings or trust checking accounts at a federally insured banking or lending institution. The Maintenance Funds shall include: 1) an operating funds for current expenses of the association, lots and dwelling units, and 2) a reserve fund for replacements, painting and repairs of the landscaping and other improvements within the association property and common facilities (if any), lots and dwelling units, to the extent necessary under the provisions of the restrictions. The board shall not commingle any amounts deposited into any of the Maintenance Funds with amounts deposited into any other Maintenance Fund.

All amounts deposited into the operating fund and the reserve fund must be used solely for the common benefit of all of the owners for purposes authorized by the restrictions, as they may be amended from time to time. Disbursements from the reserve fund shall be made by the board only for the respective purposes specified in this Article VI. Disbursements from the operating funds shall be made by the board for such purposes as are necessary for the discharge of its responsibilities herein for the common benefit of all of the owners, other than those purposes for which disbursements from the reserve fund are to be used. Nothing in these bylaws shall be construed in such a way as to permit the association to use any assessments to abate any annoyance or nuisance emanating from outside the physical boundaries of the property. Nothing contained herein shall limit, preclude or impair the establishment of other funds by the association earmarked for specified purposes authorized by the declaration.

9622258

Section 2. Collection Assessment. The board of directors shall take prompt action to collect any assessments for common expenses due from any owner which remain unpaid for more than thirty (30) days from the date due for payment thereof, as provided in Article V, Sections 8 and 9 and Article VI, Sections 9 and 10 of the Declaration.

ARTICLE IX

INSURANCE

Section 1. The association shall obtain and maintain at all times insurance, as set forth herein, including insurance against fire, vandalism and malicious mischief with endorsement for extended coverage for the full insurable replacement value, of the association property as well as insurance on all dwelling units as a common expense, however, the association may have a dollar amount deductible regarding this coverage. The named insured shall be the association, individually and as agent for the owners, without naming them, and as agent for their mortgagees. In addition to this above provision, the insurer shall be governed by the following provision.

a. That the insurer waives its rights of subrogation to any claims against the declarant, board of directors, the managing agent, the owners and their respective agents, employees, guests and, in the case of owners, the members of their households.

b. That the master policy on the association property and dwelling units cannot be cancelled, invalidated, or suspended on account of the conduct of any member of the board, officer or employee of the board of directors or the managing agent or owners, without a prior demand in writing that the board of directors or the managing agent cure the defect.

c. That the policy may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to the board of directors.

d. That the net proceeds of such policies, if less than twenty-five thousand dollars (\$25,000.00), shall be payable to the board of directors, and if more than twenty-five thousand dollars (\$25,000.00), shall be payable to the insurance trustee designated in Section 8 of this article.

e. All policies of insurance shall be written with a company licensed to do business in the State of Oregon and holding a rating of "A+" or better by Best's Insurance Reports, or equivalent.

f. In no event shall the insurance coverage obtained and maintained by the board of directors hereunder be brought into contribution with insurance purchased by individual owners or their mortgagees.

g. Provisions shall be made for the insurance of mortgagee endorsements and memoranda of insurance to mortgagees.

9622258

If required by the mortgagee who owns a majority of the loans on the dwelling units, such policies shall provide that payments for losses thereunder by the insurer shall be made to an insurance trustee and all policies and endorsements thereon shall be deposited with the insurance trustee. In the event an insurance trustee is so required, an insurance trust agreement shall be executed by the association that is satisfactory to the insurance trustee and said mortgagee.

For purposes of Article VII and VIII, all dwelling units constituting the homeowner's association, as described in Exhibit "A" attached to the declaration, shall include any additional buildings as a part thereof which may hereafter become a part of this homeowner's association.

Section 2. Coverage.

a. Casualty. All buildings and improvements upon the property described in Exhibit "A" attached hereto shall be insured in an amount equal to the maximum insurable replacement value, said value to be determined annually by the board of directors. Such coverage shall afford protection against:

i. Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and

ii. Such other risks as from time to time shall customarily be covered with respect to buildings similar in construction, location and use as the buildings described in this Section including, but not limited to, vandalism and malicious mischief.

b. Public Liability. A public liability policy covering all common property and all damage or injury caused by the negligence of the Association shall be obtained in such amounts and with such coverage as shall be required by the board of directors, including, but not limited to, hired automobile and non-owned automobile coverages, including a cross liability endorsement to cover liabilities of the owners as a group to an owner. The board of directors shall review such limits once a year, but in no event shall such insurance be less than one million dollars (\$1,000,000.00) per occurrence for bodily injury and property damage liability. It shall be the responsibility of each owner to obtain, at his own expense, liability insurance with respect to his ownership and/or use of this dwelling unit and lot, and the board of directors shall not be responsible for obtaining such insurance.

c. Workmen's compensation insurance meeting all the requirements of the laws of Oregon, if necessary.

d. Directors and officers liability insurance, if available.

e. Notwithstanding any other provisions herein, the association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the requirements for planned unit developments established by the Federal National Mortgage Association ("FNMA") and the Mortgage Corporation ("FHLMC"), so long as

9622258

any of which is a mortgagee or an owner of a lot in the property except to the extent such coverage is not available or has been waived in writing by the FNMA and FHLMC, as applicable.

f. Such other insurance as the board of directors shall determine from time to time to be desirable.

Section 3. Premiums. Premiums upon insurance policies purchased by the association shall be assessed by the association against the owners as part of the common expenses.

Section 4. Board of Directors: Shares of Proceeds. All insurance policies purchased by the association shall be for the benefit of the association, the owners and their mortgagees, as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the board of directors. The board shall receive such proceeds as are paid for the benefit of the owners and their mortgagees in the following shares:

a. Dwelling Units. Proceeds on account of damage to dwelling units shall be held in the following undivided shares:

i. When the dwelling unit(s) are to be restored, for the owners of damaged units in proportion to the cost of repairing the damage suffered by each owner, which cost shall be determined by the association.

ii. When the dwelling unit(s) are not to be restored, a share for each owner, such share in proportion to the value of each dwelling unit.

b. Mortgages. In the event a mortgagee endorsement has been issued as to a unit, the share of that owner shall be held in trust for the mortgagee and the owner, as their interests may appear; provided however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except those proceeds paid to the owner and mortgagee pursuant to the provisions of this declaration.

Section 5. Distribution of Proceeds. Proceeds of insurance policies received by the board of directors shall be distributed in the following manner:

a. Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners thereof, remittances to owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of any unit and may be enforced by such mortgagee.

b. Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed

9622258

or repaired, the remaining proceeds shall be distributed to the beneficiary owners thereof, remittance to owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of any unit and may be enforced by such mortgagee.

Section 6. Association as Agent. The association is hereby irrevocably appointed agent for each owner, for each holder of a mortgage or other lien upon a unit with power to adjust all claims arising under insurance policies purchased by the association and to execute and deliver releases upon the payment of claims.

Section 7. Insurance Trustee.

a. The board of directors shall have the right to designate any bank, trust company, management agent, savings and loan association, building loan association, insurance company, or any institutional lender, or itself, as the insurance trustee, and all parties beneficially interested in such insurance coverage shall be bound thereby. The insurance trustee at the time of the deposit of such policies and endorsements shall acknowledge that the policies and any proceeds thereof will be held in accordance with the terms of these bylaws.

b. The insurance trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or content of the policies, or correctness of any amounts received by it on account of the proceeds of any insurance policies, nor for the failure to collect any insurance proceeds. The sole duty of the insurance trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated in these Bylaws, for the benefit of the owners and their respective mortgagees.

ARTICLE X

REPAIR AND RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY

Section 1. When Repair and Reconstruction are Required. In the event of damage to or destruction of all or any part of the dwelling units as a result of a fire or other casualty (unless eighty percent (80%) of the owners vote not to proceed with the reconstruction and repair of the building units, the board of directors shall arrange for and supervise the property repair and restoration of the units. As provided in the declaration, in the event additional assessments are needed for this, a vote of approval of two-thirds (2/3) of each class of members is required to proceed.

Section 2. Procedure for Reconstruction and Repair.

a. Cost Estimates. Immediately after a fire or other casualty causing damage to any part of a dwelling unit or units, the board of directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the unit(s) to a condition as good as that existing before such casualty. Such costs may also include professional

3622258

fees and premiums for such bonds as the board of directors determines to be necessary.

b. Assessments. If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repair as determined by the board of directors, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all the owners equally provided approval of two-thirds (2/3) of each class of members is obtained in accordance with the declaration.

c. Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the association property and dwelling unit(s) was originally constructed.

d. Encroachments. Encroachments upon or in favor of lots which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the Architectural Plans under which the association property and dwelling unit(s) were originally constructed. Such encroachment shall be allowed to continue in existence for so long as the reconstructed dwelling unit(s) shall stand.

Section 3. Disbursements of Construction Funds.

a. Construction Fund. The net proceeds of insurance collected on account of a casualty and the funds collected by the board of directors from assessments against owners on account of such casualty shall constitute a construction funds which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this section.

b. Method of Disbursements. The construction funds shall be paid by the board of directors or the insurance trustee, as the case may be, in appropriate progress payments, to such contractor(s), supplier(s), and personnel performing the work or supplying materials or services for the repair and reconstruction of the dwelling unit(s) as are designated by the board of directors.

c. Surplus. It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in a construction fund after the payment of all the costs of the reconstruction and repair for which the fund is established, such balance shall be deposited in the association general operating account, or rebated to the owners.

d. Certificate. The insurance trustee shall be entitled to rely upon a certificate executed by the president or vice-president, and the secretary of the association certifying:

i. Whether or not the damaged association property and dwelling unit(s)

9622258

are required to be constructed and repaired;

ii. The name of the payee and the amount to be paid with respect to disbursements from any construction fund held by it, or whether surplus funds to be distributed are less than the assessments paid by the owners; and

iii. All other matters concerning the holding and disbursing of any construction fund held by it. Any such certificate shall be delivered to the insurance trustee promptly after request.

Section 4. When Reconstruction is Not Required. If eighty percent (80%) of the owners vote not to proceed with repair or restoration.

ARTICLE XI

MORTGAGES

Section 1. Notice to Board of Directors. An owner who mortgages his lot shall notify the board of directors of the name and address of his mortgagee and file a conformed copy of the note and mortgage with the board of directors.

Section 2. Notice of Unpaid Assessments for Common Expenses. The board of directors, whenever so requested in writing by a mortgagee of a lot, shall promptly report any then unpaid assessments for common expenses due from, or any other default by, the owner of the mortgaged lot.

Section 3. Right to Examine Books and Records. First mortgagees or holders of notes secured by first mortgages encumbering any lot in this association shall have the right to examine the books and records of the association.

ARTICLE XII

CONDEMNATION

Section 1. Notices. All notices, demands, bills, statements or other communications under these bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by U.S. Mail, first class, prepaid.

a. If to an owner, at the address which the owner shall designate in writing and file with the secretary, or if no such address is designated, at the address of the lot and such owner; or

b. If to the association, the board of directors, or the managing agent, at the principal office of the managing agent, or at such other address as shall be designated by the notice in writing to the owners pursuant to this section.

Section 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect

9622258

In any manner the validity, enforceability or effect of the balance of these Bylaws.

ARTICLE XIII

AMENDMENT TO BYLAWS

These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a two-thirds (2/3rds) of members present in person or by proxy.

ARTICLE XIV

BOOKS AND RECORDS

The books of records and papers of the association shall at all times, during reasonable hours, be subject to inspection by any member.

ARTICLE XV

CONFLICT

In case of a conflict between the Articles of Incorporation and the Bylaws, the articles shall control and in case of a conflict between the declaration and these bylaws, the declaration shall control. However, if a provision required to be in the declaration under ORS 94.580 is included in the bylaws, the voting requirements for amending the declaration shall govern the amendment of that provision of the bylaws.

IN WITNESS WHEREOF, we the Interim Directors of Oak Park Homeowner's Association, Inc., have hereunto set our hands this ____ day of _____, 1998.

DANIEL O'NEIL
Interim Director

RICHARD K. BARRY
Interim Director

MARY BAKER
Interim Director

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of Oak Park Homeowner's Association, Inc., an Oregon corporation, and,

9622258

THAT the foregoing bylaws constitute the original bylaws of said association, as duly adopted at a meeting of the board of directors thereof, held on the ____ day of January, 1996.

IN WITNESS WHEREFORE, I have hereunto subscribed my name and affixed the seal of said association this ____ day of January, 1996.

DANIEL O'NEIL
Secretary

STATE OF OREGON)
) ss.
County of Lane)

Daniel O'Neil, appeared before me, and after being duly sworn he acknowledged that he executed the foregoing bylaws for the purposes expressed in the bylaws on _____, 1996.

Notary Public for Oregon

STATE OF _____)
) ss.
County of _____)

Richard K. Barry, appeared before me, and after being duly sworn he acknowledged that he executed the foregoing bylaws for the purposes expressed in the bylaws on _____, 1996.

Notary Public for _____

STATE OF OREGON)
) ss.
County of Lane)

Mary Baker, appeared before me, and after being duly sworn she acknowledged that she executed the foregoing bylaws for the purposes expressed in the bylaws on _____, 1996.

Notary Public for Oregon

DATE OF RECORD
NAME OF RECORD

NEW OAK PARK TOWNHOUSE SUBMISSION

SE 1/4, NE 1/4, SECT. 12, BLK 15, R.3.W. 114
EUCLIDE, LANE COUNTY, OREGON

1. State of Oregon, Section 106, Chapter 106, Oregon Revised Statutes, which provides that any person who has been convicted of a crime involving moral turpitude and who has been granted a full and complete pardon by the State of Oregon shall be deemed to have been restored to the same rights and privileges as if he had never been convicted of such crime.

2. State of Oregon, Chapter 106, Oregon Revised Statutes, which provides that any person who has been convicted of a crime involving moral turpitude and who has been granted a full and complete pardon by the State of Oregon shall be deemed to have been restored to the same rights and privileges as if he had never been convicted of such crime.

EXEMPTION

WHEREAS, the applicant, [Name], has been granted a full and complete pardon by the State of Oregon for a crime involving moral turpitude, and

APPROVALS

APPROVED AND GRANTED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LANE, OREGON, this [Date] day of [Month], 19[Year].

APPROVALS

APPROVED AND GRANTED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LANE, OREGON, this [Date] day of [Month], 19[Year].

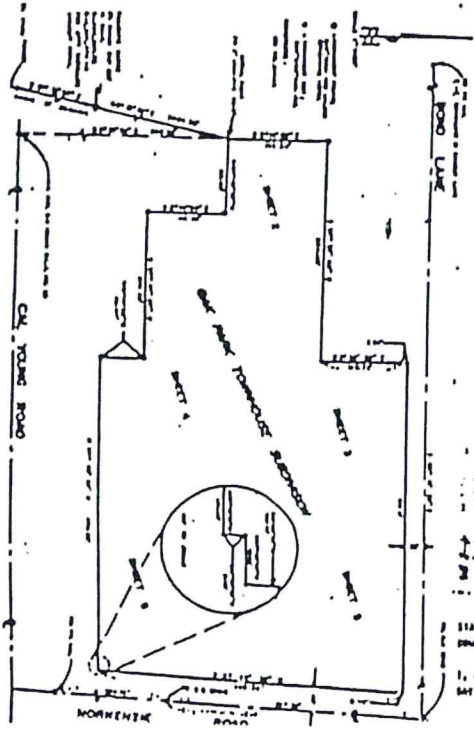
APPROVALS

APPROVED AND GRANTED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LANE, OREGON, this [Date] day of [Month], 19[Year].

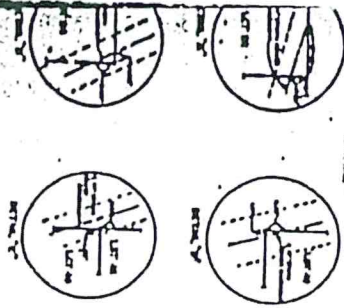
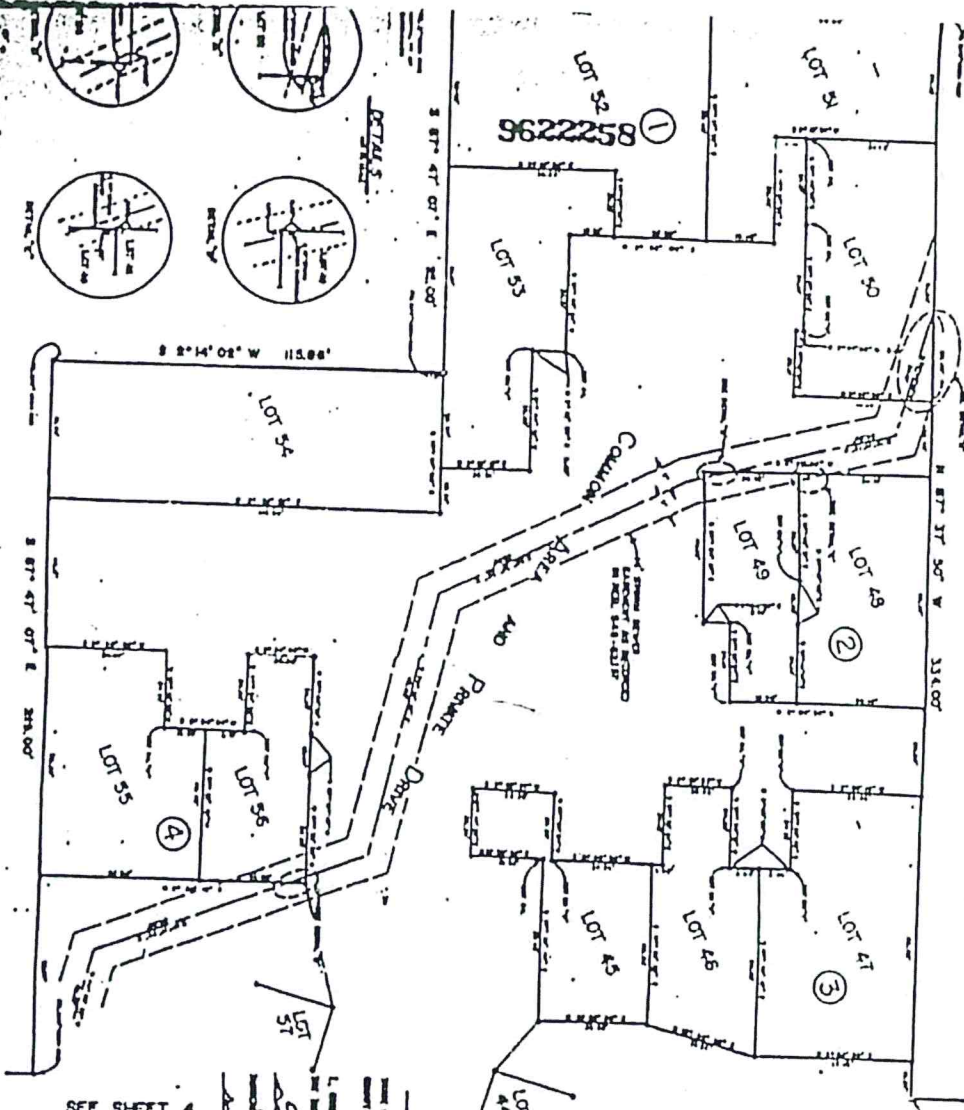
9622258

1. [Name]
2. [Name]
3. [Name]

4. [Name]
5. [Name]
6. [Name]



NEW LAK PARK LAYOUT - SUBDIVISION
 SE 1/4, NE 1/4, SECTION 19, T17S, R31W, W4
 BUDDE, LAKE COUNTY, OREGON



SEE SHEET 4

SEE SHEET 3

I, *[Signature]*
 Surveyor
 do hereby certify that the above is a true and correct copy of the original plat as filed in my office.

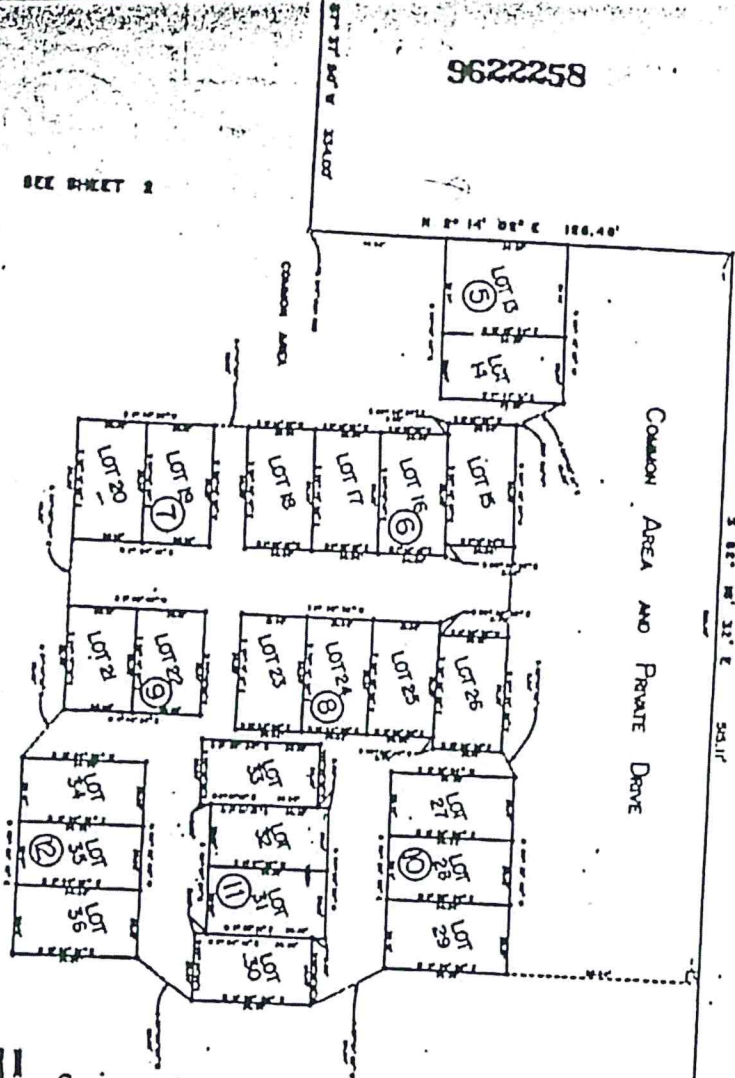
- 1/2\"/>

EXHIBIT
 PAGE 2 OF 6

SHEET 2 OF 6

NEW OAK PARK TOWNHOUSE SUBDIVISION
 SE 1/4, NE 1/4, SECTION 19, T17S, R33W, Y4A
 EUGENE, CLATSOP COUNTY, OREGON

BOND LANE



9622258

SEE SHEET 2

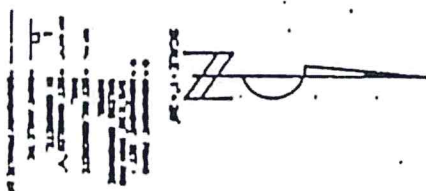
SEE SHEET 4

COMMON AREA AND PRIVATE DRIVE
 SEE SHEET 6

Handwritten signature

Handwritten signature

FILE 73 JOB 492
 SHEET 3 OF 6
 EXHIBIT PAGE 3 OF 6



Vertical text: TO BE USED FOR RECORD ONLY. THIS PLAN IS NOT TO BE USED FOR CONSTRUCTION.

9751603

RETURN TO EVERGREEN LAND TITLE CO SPECIAL AMENDMENT TO THE DECLARATION
OF A PLANNED COMMUNITY
(ORS 94.580)

FELT-1997-7

OAK PARK TOWNHOUSES

150

After Recording Return to:
Evergreen Land Title Co.
P.O. Box 931
Springfield, OR 97477

KNOW ALL PERSONS BY THESE PRESENTS, that Donegal Development Corporation, an Oregon corporation, and Declarant, under the provisions of that certain Declaration of a Planned Community (ORS 94.580) for Oak Park Townhouses dated February 7, 1996, recorded on April 5, 1996, at Reel 2159R, Reception No. 96-22258, Official Records of Lane County, Oregon, affecting that certain real property in Lane County, Oregon, more particularly described as:

Z&ZJUL.31'97#01REC 15.00
Z&ZJUL.31'97#01PFUND 10.00

See Exhibit "A" attached hereto and incorporated by reference.

does hereby amend and modify the above-referenced Declaration of a Planned Community, as follows:

Article XII, Section 5, is hereby added to the Declaration of a Planned Community for Oak Park Townhouses, which shall be incorporated into the Declaration and shall read as follows:

Section 5. Notwithstanding any other provision of the Declaration, the Articles of Incorporation of Oak Park Townhouses Homeowners Association, Inc. or the Bylaws of Oak Park Townhouses Association, Inc., so long as there exists Class E Membership as defined in Article III, Section 2 of the Declaration, the following shall require the prior approval of the United States Department of Veteran Affairs and the Department of Housing and Urban Development:

- a. The annexation of additional real properties into the planned unit development;
- b. A merger or consolidation which includes the Oak Park Townhouses Homeowners Association, Inc.;
- c. The encumbering or dedication of any common area of the planned unit development;
- d. The dissolution of the Oak Park Townhouses Homeowners Association, Inc. or any amendment to the Articles of Incorporation or Bylaws thereof; and

1 - Special Amendment to the Declaration of a Planned Community

"NO LIABILITY IS ASSUMED FOR ANY ERRORS IN THIS DOCUMENT"

9751603

- e. Any amendment hereafter made to the Declaration of a Planned Community as referenced above.

This Special Amendment is made solely for the purposes of complying with the requirements of the Federal Housing Administration and the United States Department of Veteran's Affairs, and is being made solely by the undersigned, as Declarant, pursuant to Article XII, Section 2, of the Declaration of a Planned Community for Oak Park Townhouses.

Executed on this 29th day of July, 1997.

DONEGAL DEVELOPMENT CORPORATION

By: *Daniel O'Neil*
 DANIEL O'NEIL
 Secretary

STATE OF OREGON)
): ss.
 County of Lane)

On the 29 day of July, 1997, personally appeared the above-named Daniel O'Neil, who being sworn, did say that he is the Secretary of Donegal Development Corporation, and said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged said instrument to be his voluntary act and deed. Before me:

Wanda Johnson
 Notary Public for Oregon
 My commission expires: 9-11-97



EXHIBIT "A"

9751603

PARCEL I

Lots 1, 2 and 3, Block 21; Lots 4, 5 and 6, Block 20; Lots 7, 8, 9, 10, 11 and 12, Block 19; Lots 13 and 14, Block 5; Lots 15, 16, 17 and 18, Block 6; Lots 19 and 20, Block 7; Lots 21 and 22, Block 9; Lots 23, 24, 25 and 26, Block 8; Lots 27, 28 and 29, Block 10; Lots 30, 31, 32 and 33, Block 11; Lots 34, 35 and 36, Block 12; Lots 37, 38, 39 and 74, Block 17; Lots 40, 41 and 42, Block 15; Lots 43 and 44, Block 13; Lots 45, 46 and 47, Block 3; Lots 48 and 49, Block 2; Lots 50, 51, 52, 53 and 54, Block 1; Lots 55 and 56, Block 4; Lots 57 and 58, Block 14; Lots 59, 60 and 61, Block 16; Lots 62, 63 and 64, Block 18; Lots 65, 66 and 67, Block 22; Lots 68, 69 and 70, Block 23; Lots 71, 72 and 73, Block 24.

PARCEL II

All common area and private drive, NEW OAK PARK TOWNHOUSE SUBDIVISION, as platted and recorded in File 73, Slides 490, 491, 492, 493, 494, and 495, Lane County Oregon Plat Records, in Lane County, Oregon.

State of Oregon
County of Lane — ss.
I, the County Clerk, in and for the said
County, do hereby certify that the within
instrument was received for record at

'97 JUL 31 AM 11:04

Reel **2321R**
Lane County OFFICIAL Records
Lane County Clerk

By: David S. Suter
County Clerk

EXHIBIT A
PAGE 1 OF 1