

of

ASSOCIATION OF KING CITY CONDOMINIUM UNIT OWNERS

1.0 PLAN OF UNIT OWNERSHIP

1.1 Unit Ownership. The project located in the City of King City, County of Washington, State of Oregon, known as KING CITY CONDOMINIUM is submitted to the provisions of Oregon Revised Statutes, Sections 91.505 and 91.675.

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 90 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 Association of Owners (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 compensation of the management agent. 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 or meeting called for ballots. A legal meeting is one duly 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.

3.2 Place of Meetings. Meetings of the Association shall be held at the principal office of the project or such other 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 immediately after the closing of the escrow conditioned upon the sale of not fewer than 45 of the Units 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 first annual meeting of the Association shall be held in the year 1973 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 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 or balloting. 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, all shall be

(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 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) Lease, sublease or hypothecate in any manner the general or limited common elements of the condominium which have or may have any income producing potential.

(f) 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 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 three 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 two directors shall be fixed at one (1) year. Should more directors be added, the same sequential election terms shall

given notice. If no address is given, 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 a Board of Directors composed of seven (7) persons; or more, as the existing directors unanimously agree, each of whom must be owners of an interest in a Unit in the project, provided that husband and wife may not serve as directors simultaneously.

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 such 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.

apply as near as is practicable. At the expiration of the initial term of office of each respective director, his successor shall be elected to serve a term of three (3) years. The directors shall hold office until their successors have been elected and hold their first meeting. (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.

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

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

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 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 a chairman, a secretary, and a treasurer, all

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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.

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.

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. The Association shall be obligated to expend all assessments paid by the Unit owners for the purposes described in this Section 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 billed, or has received a bill, for property or services, provided by it or others, which are within the scope of the purposes for the assessments, as defined in Section 6.2. The Association shall not expend any paid assessments for any other purpose, and a 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 A Unit owner, lessee or occupant, shall permit the Association, or their 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, being expressly 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 other accessories belonging to the Unit area shall be at the 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 All 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 activities.

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

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

to the harmonious operation of the facilities.

11.10 The Board of Directors shall promulgate rules and regulations for the use of the fenced boat, camper and trailer storage area and for the guest houses. Such rules and regulations shall include the charges, if any, to be made for the use of such facilities.

11.11 The directors may restrict the use of the general or limited common elements to specific Unit owners as may be necessary and reasonable in the overall use of said elements and for the best interest of the condominium as a whole.

12.0 AMENDMENTS TO BYLAWS

12.1 These bylaws may be amended by the Association in a duly constituted meeting or ballot meeting called for such purpose and no amendment shall take effect unless approved by owners holding 75% or more of the percentage voting rights as otherwise set forth in the Declaration of Unit Ownership.

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 the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) judgments fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or

except as authorized by the Association.

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. Those keeping domestic animals will abide by the Municipal Sanitary Regulations, leash laws, and rules or regulations of the Association created by the Board of Directors.

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

11.4 It is prohibited to hang or shake dust rags, rags, 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 areas.

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 roof 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 Recreational buildings and facilities and play areas, all common garden and patio areas are provided for the use of the owners and their guests. Rules and regulations will be posted setting out the hours the various facilities will be available and the conditions attendant thereto. Compliance with the rules as determined by the Board of Directors is essential

proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that a person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe his conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit, or proceeding as and when incurred, subject only to the right of the Association should it be proven at a later time that said person had no 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 suit or action is commenced by the directors for the collection of any amounts due pursuant to these bylaws or for the enforcement of any provisions of these bylaws or of the Oregon Unit Ownership Law, the owner or owners, jointly and severally, will in addition to all other obligations, pay the costs of such suit or action including a reasonable attorney's fee to be fixed by the trial court and in the event of an appeal of the cost of the appeal, together with 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.

16.0 INCORPORATION

16.1 By unanimous vote of its Board of Directors, the Association may be incorporated under Chapter 62, Oregon Revised Statutes as a non-profit corporation. In such event the articles and bylaws of the incorporated Association shall conform as far as legally permissible to the provisions of these bylaws, but in no event shall the Declaration of Unit Ownership be modified by such incorporation without complying with the provisions thereof for amendment. Upon such incorporation every member of the Association shall be a member of the corporation with the rights and privileges to which he is entitled as a member of the Association prior to incorporation insofar as legally permissible. Such incorporation shall not change the status of any assessment made prior to the date of such incorporation by the Board of Directors of the Association. In the event of such incorporation, the incorporated Association shall succeed to the rights and shall be responsible for all liabilities of the Association. Upon the organization for business of such corporation in accordance with ORS, Chapter 62, and upon filing with the appropriate recording officer of Washington County of a copy of the Articles of Incorporation, the authority of the manager as trustee and the authority of the Board of Directors to act on behalf of the unincorporated Association shall terminate and the members of the Board of Directors shall execute appropriate documents of transfer and conveyance with respect to property, if any, owned by the Board of Directors on behalf of the unincorporated Association.

STATE OF OREGON
County of Washington
I, Roger Thompson, Director of Records and Elections and Ex-Officio Recorder of Deeds and Recorder of Mortgages, do hereby certify that this instrument of filing was received and recorded in full of record on this 14th day of February, 1983.
ROGER THOMPSON, Director of Records and Elections
1983 FEB 14 PM 07:23 Deputy