

**BYLAWS OF
CHERRY RIDGE,
A RESIDENTIAL PLANNED COMMUNITY**

ARTICLE 1. DEFINITIONS

Capitalized terms that are not defined in the body of these bylaws or in this Article 1 shall have the meanings given to such terms in the Declaration (as defined below). The following terms shall have the following meanings:

- 1.1 "Architectural Control Committee" means the committee constituted and acting pursuant to Article 8 of these Bylaws.
- 1.2 "Articles" means the Articles of Incorporation for Cherry Ridge Homeowners' Association, as filed with the Oregon Secretary of State.
- 1.3 "Assessment" means an annual or special assessment or any charge imposed or levied by the Association on an Owner or a Lot pursuant to these Bylaws.
- 1.4 "Association" means the Cherry Ridge Homeowners' Association, an Oregon nonprofit corporation, its successors and assigns.
- 1.5 "Board" or "Board of Directors" means the Board of Directors of the Association.
- 1.6 "Bylaws" means the Bylaws of the Association as may be amended from time to time.
- 1.7 "Cherry Ridge" and "Property" each mean all property within the Plat of Cherry Ridge and subject to the Declaration, including all Lots, the Commercial Lot, the Multi-Family Lot, and the Common Areas.
- 1.8 "Common Areas" has the meaning given in the Declaration, which areas are intended to be devoted to the common use and enjoyment of the Owners and which land has been conveyed to the Association.
- 1.9 "Declaration" means the Declaration of Protective Covenants, Conditions and Restrictions Affecting Cherry Ridge No. 3, recorded on February 23, 1996, as they may be amended or restated from time to time.
- 1.10 "Declarant" means the declarant under the Declaration, its successors and assigns.
- 1.11 "Home" means any portion of a structure situated on a Lot or designed and intended for use and occupancy as a residence by a single family or household.
- 1.12 "Lot" means any parcel of land designated on the Plat as a Lot, including the Commercial Lot and the Multi-Family Lot, together with any Lots which may be subsequently annexed to the Association by any supplemental declaration or plat subjecting Additional Property to the terms of this Declaration. "Lot" does not include any Common Areas.
- 1.13 "Members" means the Owners of Lots in Cherry Ridge who are members of the Cherry Ridge Homeowners' Association.
- 1.14 "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot or a purchaser in possession under a land sale contract.
- 1.15 "Plat" has the meaning given in the Declaration.

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Jim Anderson

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1.16 "Rules and Regulations" means the documents containing rules, regulations and policies adopted by the Board of the Association or the Architectural Control Committee, as they may be amended from time to time.

1.17 "Single-Family Lot" means all Lots zones for single-family residential use, and specifically excludes the Commercial Lot, the Multi-Family Lot, and the Common Areas.

ARTICLE 2. PLAN OF LOT OWNERSHIP

2.1 Nature of Development. The residential planned development is located in the City of Troutdale, Multnomah County, Oregon, and is known as Cherry Ridge. The Directors have determined that Cherry Ridge is subject to the provisions of Oregon Revised Statutes, Sections 94.550 through 94.785 (the "Oregon Planned Communities Act"), but reserve the right to revoke that determination.

2.2 Bylaws Applicability. The provisions of these Bylaws are applicable to the Association and its management structure.

2.3 Personal Application. All present or future owners, tenants, future tenants or their employees, or any other person that might use or occupy a Lot or Common Area within Cherry Ridge in any manner shall be subject to the regulations set forth in these Bylaws. The acquisition, rental or mere occupancy of any of the Lots in Cherry Ridge shall constitute acceptance and ratification of and agreement to comply with all of the provisions hereof.

ARTICLE 3. THE HOMEOWNERS' ASSOCIATION, MEMBERSHIP, AND VOTING

3.1 Creation of the Homeowners' Association. The Cherry Ridge Homeowners' Association was created and established as an Oregon nonprofit corporation pursuant to the Declaration, and has the rights and responsibilities provided in the Declaration, the Oregon Planned Communities Act, the Oregon Nonprofit Corporation Act, and these Bylaws, as the same may be amended from time to time.

3.2 Powers of the Association. The Association shall have the powers, duties and authority set forth in the Declaration, these Bylaws, the Oregon Nonprofit Corporation Act and the Oregon Planned Communities Act.

3.3 Membership in the Association. All Owners of Lots in Cherry Ridge shall automatically also be members in the Association. Membership shall begin upon recordation of a conveyance or contract to convey a Lot in Cherry Ridge, at which time the grantee or purchaser named in the 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 these Bylaws and the administration of Cherry Ridge, Lot ownership shall be determined on the basis of the records maintained by the Association. The record shall be established by the Lot owner filing with the Association a copy of the deed to or land sale contract for his/her Lot, to which shall be affixed the certificate of the recording officer of the County of Multnomah, Oregon, showing the date and place of recording of such deed or contract. No person shall be recognized as a Lot owner unless a copy of the deed or contract showing him or her to be the current owner or contract purchaser of a Lot has been filed with the Association as provided above.

3.4 Voting Rights. Each Owner shall be entitled to one vote for each Lot owned with respect to all matters upon which Owners are entitled to vote, and the total number of votes shall equal the total number of Lots. With respect to any Owner who is in default under these Bylaws or the Declaration, the Board may, unless prohibited by the Declaration or applicable law, revoke the voting rights of such Owner until he or she has cured the default.

3.5 Fiduciaries; Joint Owners; Leases. An executor, administrator, guardian or trustee may vote, in person, by proxy or by ballot, at any meeting of the Association with respect to any Lot owned or held by

him/her in such capacity, whether or not the same shall have been transferred to his/her name; provided, that he/she shall satisfy the Secretary that he/she is the executor, administrator, guardian or trustee, holding such Lot in such capacity. Whenever any Lot is owned by two or more persons jointly according to the records of the Association, the vote of such Lot may be exercised by any one of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of such a disagreement and protest, the vote of that Lot shall be disregarded completely in any ballot or vote of the members. In the event an Owner has leased his or her home to a third party, that Owner and not the lessee shall be entitled to vote with respect to the Lot on which the home is located.

3.6 Quorum. Except as otherwise provided in these Bylaws, the presence in person, by proxy or by ballot of Owners holding twenty percent (20%) or more of the outstanding votes in Cherry Ridge shall constitute a quorum of the Association.

3.7 Proxies. Votes may be cast by absentee ballot as set forth in Section 4.5 or pursuant to a proxy executed by the Owner, which shall be filed with the secretary before or during the meeting. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding at the meeting. 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.

3.8 Actions by Association: Legal Meeting. Except as otherwise required under the Declaration, the Articles of Incorporation, these Bylaws, the Oregon Planned Communities Act or the Oregon Nonprofit Corporation Act, decisions and resolutions of the Association shall require approval by a majority of the votes entitled to be cast at any legal meeting. For the purposes of these Bylaws, a legal meeting is one duly called pursuant to these Bylaws at which a quorum is present in person or by proxy at a formal gathering, or, if a vote is taken by written ballot, when ballots are returned representing at least twenty percent (20%) of the total number of votes possible.

ARTICLE 4. MEETINGS OF THE MEMBERS

4.1 Place of Meetings. Formal meetings of the Association shall be held at a place within Multnomah County, Oregon, designated by the Secretary. The outcome of a ballot meeting shall be determined by the Board within 48 hours of the deadline for return of ballots or, in the event the ballot return date is postponed, within 48 hours of the postponed date. Each Owner shall be notified within 10 days after the ballots have been counted, by mail or other delivery of written notice, of the results of the ballot meeting or that a quorum of ballots was not returned.

4.2 Annual Meetings. The annual meeting of the members of the Association shall be held on a date selected by the Board of Directors in June of each year for the purpose of electing directors and transacting such other business as may properly come before the Association. This date may be changed from time to time at the discretion of the Board of Directors.

4.3 Special Meetings: Meetings For Purpose of Electing Directors. Special meetings of the Association may be called by the President, a majority of the Board of Directors or Owners of at least twenty percent (20%) of the Lots. Business transacted at a special meeting shall be confined to the purposes stated in the notice. If the purpose of any meeting of the Owners is to elect a Director, the provisions of Section 3.04(f) of the Declaration shall be complied with.

4.4 Notice of Meetings. The Secretary shall notify the Owners of the place, date and time of each annual, special or regular meeting of the Owners no fewer than seven (7) days (or if notice is mailed by other than first class or registered mail, no fewer than 30) nor more than 60 days before the meeting. The notice of a meeting shall state the time and place of the meeting and the items on the agenda. Notice of an annual meeting shall include a description of any matter or matters which must be approved by the Owners

under ORS 65.361, 65.404, 65.414 (1)(a), 65.437, 65.464, 65.487, 65.534 or 65.624. Notice of a special meeting shall include a description of the purpose or purposes for which the meeting is called.

4.5 Ballot Meetings. Unless prohibited or limited by the Articles, any action which may be taken at any annual or special meeting of the Owners may be taken without a meeting if the Association delivers a written ballot to every Owner entitled to vote on the matter. The ballot shall (a) set forth each proposed action, and (b) provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant to this Section shall be valid only when the number of votes cast by ballot equals or exceeds any quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. Except as otherwise provided in the articles or bylaws, a written ballot may not be revoked. All solicitations for votes by written ballot shall (a) indicate the number of responses needed to meet the quorum requirements, (b) state the percentage of approvals necessary to approve each matter other than election of directors, and (c) specify a reasonable time by which a ballot must be received by the Association in order to be counted.

4.6 Order of Business. The order of business at all meetings of the Lot Owners shall be determined by the Board of Directors. If the meeting was called by the Lot Owners, the agenda shall include the matter(s) specified in the meeting notice.

ARTICLE 5. BOARD OF DIRECTORS

5.1 Number, Qualification and Election. The affairs of the Association shall be governed by a Board of Directors composed of four individuals, as follows:

5.1.1 There shall be one Commercial Director, selected or elected as set forth in Subsection 3.04(c) of the Declaration;

5.1.2 There shall be one Multi-Family Director, selected in the manner, and subject to the exception, provided in Subsection 3.04(d) of the Declaration; or elected as set forth in Subsection 3.04(c) of the Declaration;

5.1.3 There shall be two Single-Family Directors, elected in the manner provided in Subsection 3.04(e) of the Declaration. Each Single-Family Director shall be an Owner of at least one Single-Family Lot.

5.2 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 act on behalf of the Association, exercising the powers described in Section 4.2.

5.3 Election and Term of Office. The Directors will be elected at the annual meeting of the Lot Owners, unless the Articles, the Declaration or these Bylaws provide some other time or method of election, or provide that some of the directors are appointed by some other person or are designated. Directors shall serve the terms set forth in Section 3.05 of the Declaration.

5.5 Vacancies. Vacancies on the Board of Directors shall be filled for the balance of the term of each directorship as set forth in Section 3.06 of the Declaration.

5.6 Removal of Directors. Unless otherwise provided in the Declaration, the Owners may remove any member of the Board, 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.

5.7 Annual and Regular Meetings; Financial Statement. The Board of Directors shall hold its annual meeting on a date selected by the Board of Directors in June of each year. At each annual meeting, the Secretary shall cause to be presented to the Board an annual financial statement consisting of a balance

sheet and income and expenses statement for the preceding fiscal year, together with a report of receipts and disbursements for such preceding year and an estimate of receipts and expenses for the coming year.

5.8 Special and Regular Meetings. Special and regular meetings of the Board of Directors may be called at any time by three (3) Directors.

5.9 Notice. Upon receipt of written requests signed by three or more Directors, the Secretary shall give written notice to each Director of each special or regular Board meeting at least ten (10) but not more than thirty-one (31) days prior to the date set for such meeting, stating the purpose, time and place of the meeting; provided, however, that if the purpose of a special meeting is to elect a successor Secretary or to consider removal of the Secretary, the notice shall be given by the President or, if the meeting is also for the purpose of electing a successor President or considering the removal of the President, by any other Director. Notice shall be sent to the address of each Director as listed on the books of the Association, or to such other address as any Director may designate by written notice to the Secretary. Notice of any meeting may be waived by any Director at any time. No Director who is present at a meeting may object to the adequacy or timeliness of the notice given.

For other than emergency meetings, notice of Board of Directors' meetings shall be posted at a place or places on the property at least three days prior to the meeting or notice shall be provided by a method otherwise reasonably calculated to inform Owners of such meetings. Emergency meetings may be held without notice, if the reason for the emergency is stated in the minutes of the meeting. Only emergency meetings of the Board may be conducted by telephonic communication or e-mail.

5.10 Waiver of Notice to Directors. Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive notice of the meeting, and the waiver shall be deemed equivalent to the giving proper notice. Attendance by a Director at any meeting of the Board shall be a waiver of the meeting notice. If all Directors are present at any meeting of the Board, no notice to Directors shall be required, and any business may be transacted at that meeting.

5.11 Board of Directors' Quorum. The presence, in person (including by telephone if permitted under Section 5.13 below) or by proxy, of a majority of the Directors shall constitute a quorum for voting at a Board meeting and the transaction of business. The Board (by majority of those present) shall have the power to adjourn a meeting even if less than a quorum is present.

5.12 Voting and Actions by the Board. Each Director shall have one vote. So long as a quorum is present, the vote of Directors together holding a majority of the total votes cast, whether the Directors voting are present in person (including by telephone if permitted under Section 5.12 below) or by proxy, shall be a binding vote of the Board for all purposes, unless a greater percentage is required by law, the Articles, these Bylaws or the Declaration.

5.13 Board of Directors' Meetings Open to All Association Members. All meetings of the Board shall be open to Owners, except that at the discretion of the Board the following matters may be considered in executive session:

5.13.1 Consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation, or criminal matters;

5.13.2 Personnel matters, including salary negotiations and employee discipline; and

5.13.3 The negotiation of contracts with third parties.

However, no Owner shall have a right to participate in Board meetings unless such Owner is also a Director. The President shall have authority to exclude any person who disrupts the proceedings at a Board of Directors meeting.

5.14 Telephonic Meetings. In the event of an emergency, telephonic or e-mail meetings may be held by the Board of Directors. Telephonic meetings shall be carried on by means of a "conference call" in which each Director may speak with any of the other Directors. The Directors shall keep telephone numbers on file with the President to be used for meetings. No notice to either Directors or Owners shall be required for a telephonic meeting of the Board of Directors to be held for any emergency action.

5.15 Specific Responsibilities of Board

5.15.1 Adoption of Budget. At least sixty (60) days before the beginning of each calendar year, the Board shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Areas, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be common expenses pursuant to the Declaration, these Bylaws, the Oregon Planned Communities Act, or a resolution of the Association, and that shall be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Common Area and the rendering to the Lot owners of all related services. Such budget also shall include such reasonable amounts as the Board considers necessary to provide working capital and such general operating reserve accounts contingency and other reserve accounts as the Board shall determine. The amount designated for replacement reserves shall be adjusted annually to reflect current replacement cost and remaining useful life. Within thirty (30) days after adopting the annual budget for Cherry Ridge, the Board shall provide a summary of the budget to all Owners, which summary shall set forth the amount of the Common Area expenses and any special assessment payable by each Lot owner. Such budget shall constitute the basis for determining each Lot owner's assessment for the Common Area expenses of the Association. If the Board fails to timely prepare and adopt a budget, the last adopted annual budget shall continue in effect until a new budget is prepared and adopted. Retroactive increases and/or special assessments may be made by the Board of Directors to make up for any deficiency.

5.15.2 Architectural Control Committee. The Board shall appoint annually three Owners who shall comprise the Architectural Control Committee, which shall perform and shall be empowered to perform all acts as provided in Article VI of the Declaration. The Board shall have the authority to adopt rules, regulations and policies governing the Architectural Control Committee, consistent with the provisions of the Declaration. The Association shall keep on file at its principal office a list of the names and addresses of the members of such committee. If any member of the Architectural Control Committee is unable or unwilling to act, the vacancy may be filled by the remaining members of the committee for the unexpired portion of the term; provided, however, the Board shall have the right to approve or disapprove the person chosen to fill the vacancy.

5.15.3 Annual Report. Within ninety (90) days after the end of the fiscal year, the Board shall distribute to each Owner and, upon written request, any mortgagee of a Lot, a copy of the annual financial statement referred to in Section 5.7 above.

5.16 Proxies. A Director may vote in person or by proxy. A proxy may be given to any other Director, so long as the proxy is in writing, signed by the Director giving the proxy, and filed with the Secretary. A proxy shall expire on the earlier of (a) the end of the Director's term, or (b) eleven (11) months after the date of the proxy.

5.15 Compensation of Directors. No Director shall receive compensation from the Association for serving on the Board, except Directors may be reimbursed for out-of-pocket expenses reasonably and necessarily incurred in the furtherance of the Association's interests.

ARTICLE 6. OFFICERS

6.1 Designation. The principal officers of the Association shall be a President and a Secretary, both of whom shall be elected by the Directors. The same person shall not concurrently hold the offices of the President and Secretary. The Directors may appoint such additional officers as it deems appropriate.

6.2 Election of Officers. The officers of the Association shall be elected annually by the Board and shall hold office at the pleasure of the Board and until their successors are elected.

6.3 Removal of Officers. The Board may remove any officer, at any time, either with or without cause, and his/her successor shall be elected at any regular or special meeting of the Board of Directors.

6.4 President. The President shall be a Director and shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors, unless otherwise provided in the Declaration, and shall have all of the general powers and duties normally incident to the office of the chief executive officer of an association and all powers and duties set forth in these Bylaws.

6.5 Secretary. The Secretary may, but shall not be required to be, a Director or an Owner. The Secretary shall keep the minutes of all proceedings of the Board and all other Association records and shall attend to the giving of all notices pursuant to this Declaration or required by law. The Secretary shall be responsible for the collection, deposit, and disbursement of Association funds and shall keep full and accurate financial records and books of account showing all receipts and disbursements of the Association. The Secretary shall perform all other duties incident to the office of secretary of an association or as may be directed by the Board or set forth in these Bylaws. The Secretary shall perform all of the foregoing duties at the expense of the Association.

6.6 Compensation of Officers. Other than reimbursement for out-of-pocket expenses incurred on behalf of the Association, neither the President, the Secretary, nor any other officer of the Association shall receive any compensation from the Association for serving as an officer.

ARTICLE 7. INSURANCE

The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in the amounts hereinafter provided, including insurance for such other risks of a similar or dissimilar nature as are or hereafter customarily shall be covered with respect to similar planned communities, including without limitation the policies described in Section 7.1.

7.1 Types of Insurance Policies. For the benefit of the Association and the Owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance to the extent that it is available at reasonable cost:

7.1.1 Insurance for all insurable improvements in the common property against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief. The insurance shall cover the full replacement costs of any repair or reconstruction in the event of damage or destruction from any such hazard if the insurance is available at reasonable cost; and

7.1.2 A public liability policy covering all common property and all damage or injury caused by the negligence of the association.

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

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

7.4 Insurance Deductible. The Board of Directors shall determine the amount of the deductible for property loss insurance policies, as well as other insurance policies required to be procured by the Association under this Article 7. In determining the deductible under the policies, the Board shall take into consideration among other factors the availability, cost, and loss experience of the Association. In this regard, as in other Board responsibilities, the Board members shall exercise their reasonable business judgment.

7.5 Review of Insurance Policies. At least annually, the Board of Directors shall review all insurance carried by the Association, which review shall include a consultation with a representative of the insurance carrier writing the master policy.

7.6 Premiums a common expense. Premiums for insurance obtained by the Association under this section shall be a common expense of the association. The policy may contain a reasonable deductible and the amount thereof shall be added to the face amount of the policy in determining whether the insurance equals at least the full replacement cost.

ARTICLE 8. AMENDMENTS TO BYLAWS

These Bylaws may be amended by the Owners holding a majority of the votes entitled to be cast at a duly constituted meeting or ballot meeting called for such purpose.

ARTICLE 9. RECORDS AND AUDITS

9.1 General Records. The Board of Directors shall keep detailed records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors and minutes of the meetings of the Association. The Board of Directors shall maintain a list of Owners entitled to vote at meetings of the Association and a list of all mortgagees of Lots, insofar as such names have been provided by the Owner or the Mortgagee to the Board.

9.2 Association Documents and Records: Examination of Records by Owners.

9.2.1 The Association shall retain within Oregon the documents, information and records delivered to the Association under ORS 94.616.

9.2.2 All assessments shall be deposited in a separate bank account, located within Oregon, in the name of the Association. All expenses of the Association shall be paid from the Association bank account.

9.2.3 The Association shall keep financial records sufficiently detailed for proper accounting purposes. Within ninety (90) days after the end of the fiscal year, the Board shall distribute to each Owner and, upon written request, any mortgagee of a lot, the financial statement and related documents described in Section 5.7 of these Bylaws.

9.2.4 The Association shall provide, within 10 business days of receipt of a written request from an Owner, a written statement that provides:

(A) The amount of assessments due from the owner and unpaid at the time the request was received, including:

- (i) Regular and special assessments;
- (ii) Fines and other charges;
- (iii) Accrued interest; and
- (iv) Late payment charges.

(B) The percentage rate at which interest accrues on assessments that are not paid when due.

(C) The percentage rate used to calculate the charges for late payment or the amount of a fixed charge for late payment.

The Association is not required to comply with this Section 9.2.4 if the Association has commenced litigation by filing a complaint against the Owner and the litigation is pending when the statement would otherwise be due.

9.2.5 The Association shall make the documents, information and records described in Sections 9.2.1 and 9.2.3 and all other records of the Association reasonably available for examination by an Owner and any mortgagee of a Lot. Upon the written request of any such person, the Association shall make available during reasonable hours all such records for duplication. The documents, information and records described in Sections 9.2.1 and 9.2.3 and all other records of the Association shall be located within Oregon. The Association shall maintain a copy, suitable for the purpose of duplication, of the following:

- (A) The Declaration, these Bylaws, Association rules and regulations and any amendments or supplements to them.
- (B) The most recent financial statement prepared as described in Section 5.7.
- (C) The current operating budget of the Association.

9.2.6 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 Section 9.2.5.

9.2.7 The Association may charge a reasonable fee for furnishing copies of any documents, information or records described in this Section 9.2. The fee may include reasonable personnel costs for furnishing the documents, information or records.

9.3 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Lot. Each account shall designate the name and address of the owner(s), the amount of each assessment against the owner(s), the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

9.4 Notice of Sale, Mortgage, Rental or Lease. Immediately upon the sale, mortgage, rental or lease of any Lot, the Lot owner shall promptly inform the Secretary or manager of the name and address of such vendee, mortgagee, lessee, or tenant.

ARTICLE 10. COMPLIANCE

These Bylaws are intended to comply with the provisions of the Oregon Planned Communities Act, which are incorporated herein, and to supplement the provisions of the Declaration. If any of the provisions hereof violate the provisions of such statutes, the statutory provisions shall control. If any of the provisions hereof conflict with the provisions of the Declaration, the provisions of the Declaration shall control.

ARTICLE 11. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The liability of Directors and officers to the Association and Owners shall be limited, and Directors and officers shall be indemnified, as and to the extent set forth in Section 3.16 of the Declaration.

ARTICLE 12. ASSESSMENT, COLLECTION COSTS AND ENFORCEMENT

Whether or not suit or action is commenced, Lot owners shall be obliged to pay reasonable fees and costs, including, but not limited to, attorney's fees incurred in connection with efforts to collect delinquent and unpaid assessments and enforcement of the Declaration, Bylaws or rules and regulations of the Association. In addition to the assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines and interest imposed pursuant to ORS 94.712.

If suit or action is commenced by the Directors for the collection of any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the Declaration, Bylaws or of the Oregon Planned Communities Act, the Owner(s), jointly and severally, in addition to all other obligations shall pay the costs of such suit or action, including reasonable attorneys' fees, to be fixed by the trial court, and, in the event of an appeal, the cost of the appeal, together with reasonable attorneys' fees incurred in such appeal, to be fixed by the appellate court.

IN WITNESS WHEREOF, the Board of Directors have adopted these Bylaws this 17th day of September, 2003.

John Edwards
Lisa Hosseini
Marjorie Henderson
James E. Anderson

State of OREGON
County of MULTNOMAH

Signed or attested before me on September 17, 2003 by John Edwards, Lisa Hosseini, Marjorie Henderson and James E. Anderson.

Karen Burger-Kimber
Notary Public-State of Oregon

