

86-23442

AMENDED AND RESTATED BYLAWS

0136-2357

OF

TENNIS VILLAGE TOWNHOUSES ASSOCIATION, INC.

Section 1. The provisions of these Amended and Restated Bylaws are applicable to the project, as defined below in this Section 1. The Bylaws heretofore applicable to the project were recorded December 13, 1976, in Book 242, Page 192, Deed Records, Deschutes County, Oregon; as amended by instrument recorded December 20, 1983, in Book 37, Page 485, Deed Records (referred to hereinafter as the "previously existing Bylaws"). On the Effective Date of these Amended and Restated Bylaws, as defined in Section 18, all previously existing amended Bylaws of Tennis Village Townhouses Association, Inc., other than those contained in this document, shall be repealed and of no further force or effect. The term "project" as used herein shall include the land, all buildings, improvements and structures contained thereon and known as TENNIS VILLAGE TOWNHOUSES, Sunriver, Oregon.

Section 2. Membership. Acquisition of a unit in this project shall automatically make the purchaser a member of Tennis Village Townhouses Association, Inc., an Oregon nonprofit corporation (hereinafter referred to as Association) and signify that these Bylaws are accepted, ratified and will be complied with. The Association was incorporated on June 1, 1986; prior to such date the Association was an unincorporated association. The Association's members are hereinafter referred to as "Unit Owners." All present or future owners, tenants, future tenants 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.

Section 3. The Association Office. The office of the Association shall be located at such place as the Board of Directors as hereinafter defined may designate.

Section 4. Unit Owners.

4.1 Annual Meetings. The annual meeting of the Unit Owners shall be held on a Saturday in May of each year, to be designated by the Board of Directors, for the purpose of electing directors and for the transacting of such other business as may come before the meeting. If an election of directors shall not be held on the day designated herein for any annual meeting of Unit Owners, or any adjournment

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MARCEAU, KARNOPP, PETERSEN & NASH
ATTORNEYS
835 N.W. BOND STREET
BEND, OREGON 97701-2799

thereof, the Board of Directors shall cause the election to be held at a special meeting of the Unit Owners as soon thereafter as is convenient, not more than sixty (60) days after said time, by proper notice designating the meeting as the annual meeting.

4.2 Special Meetings. Special meetings of the Unit Owners, for any purpose or purposes, may be called by the Chairman or by the Board of Directors, and shall be called by the Chairman at the request of not less than one-fifth (1/5) of the Unit Owners entitled to vote at the meeting.

4.3 Place of Meeting. The office of the Association shall be the place of meeting for all annual and special meetings of the Unit Owners, or such other place as the Board of Directors may designate by proper notice.

4.4 Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the Chairman, the Secretary of the Association or persons calling the meeting, to each Unit Owner entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Unit Owner at his residence address, with postage thereon prepaid.

4.5 Quorum of Unit Owners. A majority of Unit Owners entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Unit Owners. If less than a majority of the entire number of Unit Owners entitled to vote are represented at a meeting, a majority of the Unit Owners so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting, at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally noticed. The Unit Owners present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Unit Owners to leave less than a quorum.

4.6 Proxies. At all meetings of the Unit Owners, a Unit Owner may vote by proxy executed in writing by the Unit Owner or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. No proxy shall be

valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

4.7 Voting of Unit Owners. Each Unit Owner shall be entitled to the number of votes equal to his interest in the common elements as set forth in the Declaration of Ownership of Tennis Village Townhouses.

4.8 Informal Action by Unit Owners. Any action required to be taken at a meeting of the Unit Owners, or any other action which may be taken at a meeting of the Unit Owners, may be taken without a meeting by a consent in writing, setting forth the action so taken and signed by all the Unit Owners entitled to vote with respect to the subject matter thereof.

Section 5. Board of Directors.

5.1 General Powers. The business and affairs of the Association shall be managed by its Board of Directors.

5.2 Number, Tenure and Qualifications. The number of directors of the Associations shall be five (5). Two (2) new directors shall be elected each year with the exception that every third year only one new director shall be elected. Each director shall serve for a term of three (3) years. Each director shall hold office until the annual meeting of the year in which his term shall expire and until the election and qualification of his successor.

5.3 Regular Meetings. A regular meeting of the Board of Directors shall be held without notice, other than this Bylaw, immediately after and at the same place as the annual meeting of Unit Owners. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings without notice other than such resolution.

5.4 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board of Directors or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place for holding any special meeting called by them.

5.5 Notice of Special Meeting of Board of Directors. Notice of any special meeting shall be given at least seventy-two (72) hours previously thereto by written notice delivered personally or mailed to each director at his residence or business address or by telegram; if mailed, such

notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be given when the telegram is delivered to the telegraph company. Any director may waive notice of the meeting. The attendance of the director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

5.6 Quorum of Directors. The majority of the directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such a majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. Attendance at a board meeting may be by telephone communication with written confirmation.

5.7 Manner of Directors Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. All actions taken by the Board involving the obligation of funds over \$100.00 per item shall be recorded in the minutes of that meeting which shall be signed by the Secretary of that meeting. Copies of the minutes of any board meeting or of the Treasurer's current account shall be made available to any owner upon written request to the board.

5.8 Vacancies on Board of Directors. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors or by reason of the removal of one or more directors shall be filled by an election at an annual meeting or at a special meeting of the Unit Owners called for that purpose.

5.9 Presumption of Assent. A director who is present at a meeting of the Board of Directors at which action on any matter is taken shall be presumed to have assented to the action taken, unless his dissent shall be entered in the minutes of the meeting, or unless he shall file his written dissent to such action with the person acting as the Secretary before the adjournment thereof, or

shall forward such dissent by registered mail to the Secretary after the adjournment of the meeting, in which case such dissent shall be dated not later than three (3) days following the date of such meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

5.10 Removal of Directors. All or any number of the directors may be removed with or without cause at a meeting expressly called for that purpose by a vote of sixty percent (60%) of the Unit Owners entitled to vote on an election of directors. Furthermore, any director who ceases to become a Unit Owner entitled to vote shall automatically cease to be a director and said position shall be filled as herein provided.

5.11 Compensation of Directors. The directors shall serve without compensation except that any director shall be entitled to reimbursement for out-of-pocket expenses incurred in the performance of his duties, provided that no expenses shall be incurred in a sum in excess of \$25 without being approved in advance by the entire Board of Directors. All reimbursements made and/or authorized by the Board of Directors to any director shall be reported annually to the Unit Owners.

5.12 Directors to Engage Manager. The Board of Directors shall engage the services of an individual, firm or one of the Unit Owners to act as manager and may employ or may instruct such manager to employ such other personnel as may be necessary from time to time for the maintenance, upkeep and repair of the common elements. The Board of Directors shall determine the compensation to be paid to such manager and to such other personnel, and such compensation shall constitute a common expense.

5.13 Directors to Adopt Administrative Rules and Regulations. The Board of Directors shall from time to time adopt such administrative rules and regulations, in addition to those set out in Section 7 of these Bylaws, as may be necessary or desirable to govern the details of the operation and use of the common elements, and may, by such requirements with respect to the use and maintenance of the units and the use and maintenance of the common elements as are desirable to prevent unreasonable interference with the use of their respective units and of the common elements by the Unit Owners.

5.14 Powers of Board of Directors. The Board of Directors shall have the exclusive right to contract for insurance upon the units and common areas and for all goods

and services necessary for the repair, maintenance and improvement of all common elements and shall have the power to assess the unit owners on account thereof in the manner provided in the Bylaws of the Association.

5.15 Reserves. The Board of Directors, in its discretion, may establish such reserves as good business judgment warrants for the repair, improvement or other needed expenditures of the Association of Unit Owners. To fund such reserves, the Board of Directors, in its discretion, may include the reserve fund assessment in any monthly assessment made against the Unit Owners. All such reserves shall be held by the Board of Directors in trust for the Unit Owners as their contribution thereto shall appear, and shall not become the funds of the Association until the expenditure for which such reserve is created has become due and payable.

Section 6. Officers.

6.1 Number. The officers of the Association of Unit Owners shall be the President and Chairman of the Board of Directors (who shall be one and the same person), a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. The Secretary and Treasurer shall be members of the Board of Directors.

6.2 Election and Term of Officers. The officers shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the Unit Owners. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until his successor shall have been duly elected and qualified, or until his earlier death, resignation or removal.

6.3 Removal. Any officer elected or agent designated by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

6.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filed by the Board of Directors for the unexpired portion of the term.

6.5 Chairman of the Board of Directors. The President of the Association and Chairman of the Board of

Directors shall, when present, preside at all meetings of the Unit Owners and of the Board of Directors and shall perform all duties incident to such office and such other duties as may be prescribed by the Board of Directors from time to time. He shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all the business and affairs of the Association. He shall sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association or shall be required by the law to be otherwise signed or executed.

6.6 Secretary. The Secretary shall:

(a) Keep all minutes of the meetings of Unit Owners and the Board of Directors in one or more books provided for that purpose.

(b) See that all notices are duly given in accordance with the provisions of these Bylaws of as required by law.

(c) In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Chairman or the Board of Directors.

6.7 Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall:

(a) Have funds and custody of and be responsible for all funds of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever; and deposit all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected by the Board of Directors; and

(b) In general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Chairman of the Board of Directors.

6.8 Salaries. The salaries of the officers may be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving a salary by reason of the fact that he is also a director of the Association.

Section 7. General Rules and Regulations.

7.1 Use and Maintenance of Common Elements. Each Unit Owner may use the common elements in accordance with the purpose for which they are intended, but may not hinder or encroach upon the lawful rights of the other Unit Owners.

(a) The necessary work to maintain, repair or replace the common elements, and additions or improvements to the common elements, shall be the responsibility of the Board of Directors and shall be carried out as provided in the Bylaws.

(b) The Association of Unit Owners shall have the right, to be exercised by the Board of Directors or the manager employed by the Board of Directors, to have access to each unit as may be necessary for the maintenance, repair or replacement of any of the common elements, or to make such emergency repairs, if necessary for the public safety or to prevent damage to the common elements or to another unit.

(c) The Board of Directors, or the manager at its direction, is authorized to employ the personnel necessary or convenient for the maintenance, upkeep and repair of the common elements.

(d) The costs of maintenance, upkeep and repair shall be paid by checks drawn on the Association's bank account and signed as provided in these Bylaws.

7.2 Improvement of Common Elements. The Board of Directors shall not make any structural alterations, capital additions to, or capital improvements of, the common elements requiring an expenditure in excess of \$1,000 without the prior approval of owners holding a majority percentage interest in the project.

7.3 Owner's Obligations to Repair. Except for those portions which the Board of Directors is required to maintain and repair, if any, each owner shall, at the owner's expense, keep the interior of his unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating,

painting and varnishing which at any time may be necessary to maintain the good appearance and condition of his unit. In addition to decorating and keeping the interior of the unit in good repair, the owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, refrigerators or ranges that may be in his unit.

7.4 Apportionment of Receipts and Expenses. Receipts of the property shall be distributed among, and the common expenses shall be charged to, the Unit Owners on the basis of the percentage of ownership as set forth in the Declaration of Tennis Village Townhouses. Receipts by Unit Owners for rental of their unit shall not constitute common receipts. The Association shall bill each owner quarterly for his share of the common expenses, which he shall pay within ten (10) days of receipt of such billing. If any Unit Owner shall become delinquent for two (2) successive months' payment of such common expenses, the Board of Directors shall proceed to record a lien against his unit pursuant to ORS 94.195. No Unit Owner may exempt himself from any liability for his contribution towards common expenses by waiver of the use of enjoyment of any of the common elements or by abandonment of his unit.

7.5 Overassessment. At the end of each fiscal year of the Association, the Board of Directors shall cause to be repaid promptly to each owner any amount by which his assessment during such fiscal year shall have exceeded the amount necessary to conduct the business of the Association during said fiscal year and shall collect promptly from each owner any amount by which his assessments during said fiscal year shall have been less than his aliquot share of said expenses of the Association. Such repayments shall not include any sums held as reserves, which sums shall then be, and thereafter until expended shall continue to be, the property of the individual Unit Owners.

7.6 Lien of Association Against Unit.

(1) Whenever the Association, directly or acting through its manager, furnishes to a unit any services, labor or material lawfully chargeable as common expenses, the Association, upon complying with Subsection (2) of this Section, shall have a lien upon the individual unit and the undivided interest in the common elements appertaining to such unit for the reasonable value of such common expenses, and the lien shall be prior to all other liens or encumbrances upon the unit except:

- (a) Tax and assessment liens; and

(b) A first mortgage or trust deed of record.

(2) The Association shall record in Deschutes County a claim containing a true statement of the account due for such common expenses after deducting all just credits and offsets; the name of the owner of the unit, or reputed owner, if known; a description of the property where the common expense were furnished and the designation of the unit, sufficient for identification.

7.7 Liability for Unpaid Share of Common Expenses.

Where the purchaser of a unit obtains title to the unit as a result of foreclosure of the first mortgage or trust deed, such purchaser, his successors and assigns, shall not be liable for any of the common expenses chargeable to such unit which became due prior to the acquisition of title to such unit by such purchaser. Such unpaid share of common expenses shall be a common expense of all the Unit Owners, including such purchaser, his successors and assigns.

Section 8. Personal Property. The Board of Directors or manager may acquire and hold, for the benefit of the Unit Owners, tangible and intangible personal property and may dispose of the same by sale or otherwise; and the beneficial interest in such personal property shall be owned by the owners in the same proportion as their respective interest in the common elements, and shall not be transferable except with a transfer of a townhouse. A transfer of a townhouse shall transfer ownership of the transferor's beneficial interest in such personal property to the transferee.

Section 9. Legal and Accounting Services and Audit. The Board of Directors, or the manager, from time to time, shall contract for the services of lawyers and certified public accountants as the needs of the Association shall demand. At any time, any owner may, at his own expense, cause an audit or inspection to be made of the books and records of the manager or the Board of Directors. The Board of Directors, at the expense of the Association, shall obtain an audit of all books and records pertaining to the Association at no greater than annual intervals and furnish copies thereof to the owners.

Section 10. Contracts, Loans, Checks and Deposits.

10.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Association, and such

authority may be general or confined to the specific instances.

10.2 Loans. No loans shall be contracted on behalf of the Association, and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors and approved by the affirmative vote of three-fourths (3/4) of the Unit Owners. Such authority may be general or confined to the specific instances.

10.3 Checks, Drafts, Vouchers, etc.. All checks, drafts, vouchers or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, of the Association and in such manner as shall from time to time be determined by the resolution of the Board of Directors.

10.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

10.5 Billing of Common Expenses. Each Unit Owner shall be entitled to receive from the Treasurer at the time of demand for payment of common expenses an itemized statement of common expenses. Such itemized statements shall be prepared in such manner as the Board of Directors shall determine.

Section 11. Insurance. The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in the amounts hereafter provided, and including insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other condominium projects similar in construction, design and use, which insurance shall be governed by the provisions in this numbered section.

(a) For the benefit of the Association and the Unit 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:

i. A master policy, or subscription policies, of fire insurance on all units and common elements with endorsements providing extended coverage, vandalism coverage, special extended coverage, use and occupancy coverage for six months at \$30,000 per month, contingent liability from the

operation of building codes and demolition coverage for at least ninety percent (90%) of the insurance replacement value of all units and common elements, and such other fire and casualty insurance as the Board of Directors shall determine to give substantially equal or greater protection to the owners, and their mortgagees, as their respective interests appear, which policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee, or mortgagees, of each townhouse, if any;

ii. A master policy, or subscription policies, insuring the Association, its Board of Directors, the Unit Owners and the manager against any liability to the public and/or the owners of units and their invitees or tenants, occurring in, on, or about the units and common elements, or either thereof, arising out of, or incident to, the ownership or any use of the project, and including the personal liability exposure of the Unit Owners. Limits of liability under such insurance shall be not less than \$500,000 for all persons injured in any one accident, and shall not be less than \$100,000 for property damage in each occurrence (such limits and coverage to be reviewed at least annually by the Board of Directors and to be increased in its discretion). In addition, the directors shall maintain an umbrella liability policy of \$1,000,000 insuring against the same risks. The policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsements wherein the rights of named insureds under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured;

(b) All policies shall be written by a company licensed to do business in Oregon and holding a financial rating of "AAA" or better by Best's Insurance Reports.

(c) Exclusive authority to adjust losses under policies hereafter in force on the project shall be vested in the Board of Directors, or its authorized representative acting on behalf of all insureds, including the individual Unit Owners.

(d) 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 Unit Owners or their mortgagees.

(e) Each Unit Owner may obtain additional insurance at his own expense; provided, however, that no Unit Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Board of Directors, on behalf of all the Unit Owners, may realize under any insurance policy which the Board of Directors may have in force on the project at any particular time.

(f) Each Unit Owner must notify the Board of Directors when he makes any improvements to his unit, the value of which improvement is in excess of \$1,000.

(g) Any Unit Owner who obtains individual insurance policies covering any portion of the project, other than personal property belonging to such Unit Owner, shall file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after purchase of such insurance.

(h) The Board of Directors must make every effort to secure insurance policies that will provide for the following:

i. A waiver of subrogation by the insurer as to any claim against the Board of Directors, the manager, the Unit Owners and their respective servants and agents;

ii. A provision that the master policy on the project cannot be cancelled, invalidated or suspended on account of the conduct of any unit owner, the Board of Directors, any officer or employee of the Board of Directors, or the manager, without demand in writing thirty (30) days prior to such cancellation, invalidation or suspension that the Board of Directors or manager cure the defect and notice of the failure to do so within such period;

iii. A provision that any "no other insurance" clause in the master policy exclude individual Unit Owner's policies from consideration; and

iv. A provision that the insurer issue certificates of insurance specifying the portion of

the master policy earmarked for each Unit Owner's interest and that until the insurer furnishes written notice and a grace period of thirty (30) days to the mortgagee insured under the loss payable clause thereof, the mortgagee's coverage is neither jeopardized by the conduct of the Unit Mortgagor-Owner, the Association or other Unit Owners, nor cancelled for non-payment of premiums.

(i) At least annually, the Board of Directors shall review all insurance carried by the Association of Unit Owners and such review shall include an appraisal of all improvements to the project by a representative of the insurance carrier writing the master policy.

Section 12. Damage and Destruction. In case of fire, casualty or any other disaster, the insurance proceeds of the policy and the individual Unit Owner's policies, if sufficient to reconstruct the building damaged or destroyed, shall be applied to such reconstruction. Reconstruction of the damaged or destroyed building, as used in this paragraph, means restoring the building to substantially the same condition in which it existed prior to the fire, casualty or disaster, with each unit and the common elements having the same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished under the direction of the manager and the Board of Directors.

If the insurance proceeds are insufficient to reconstruct the damaged or destroyed building, the damage to, or destruction of, such building shall be promptly repaired and restored by the manager or the Board of Directors, using the proceeds of insurance, if any, on such building for that purpose and the Unit Owners of the damaged or destroyed building shall be liable for assessment for any deficiency, such deficiency to take into consideration as the Unit Owner's contribution any individual policy insurance proceeds provided by such Unit Owner. However, if three-fourths (3/4), or more, of the buildings within the project are destroyed or substantially damaged and if the Unit Owners, by vote of at least three-fourths (3/4) of the voting power, do not voluntarily, with sixty (60) days after such destruction or damage, make provision for reconstruction, the manager or Board of Directors shall record, with the recording officer of Deschutes County, a notice setting forth such facts and upon the recording of such notice:

(a) The property shall be deemed to be owned in common by the Unit Owners;

(b) The undivided interest in the property owned in common which shall appertain to each Unit Owner shall be the percentage of undivided interest previously owned by such Unit Owner in the common elements;

(c) Any liens affecting any of the townhouses shall be deemed to be transferred in accordance with the existing priorities to the undivided interests of the owners of the property; and

(d) The property shall be subject to an action for partition at the suit of any Unit Owner, in which the net proceeds of sale, together with the net proceeds of the master policy of insurance on the property, if any, shall be considered as a fund and shall be divided among all the Unit Owners in a percentage equal to the percentage of undivided interest owned by each Unit Owner in the common elements, after first paying out of the respective shares of the Unit Owners, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each Unit Owner.

Notwithstanding all other provisions hereof, the Unit Owners may, by an affirmative vote of all Unit Owners affected thereby, cause an amendment to be made to the project documents so as to facilitate architectural changes that the Unit Owners affected thereby and the Association deem desirable if, and only if, the partial or total destruction of the project, by fire, casualty or any other disaster is so great as to require the substantial reconstruction of the whole of the project. Any such amendment of such project documents shall be valid only upon (1) the recording thereof with the recording officer of Deschutes County and (2) the recording with that recording officer of the approval thereof of each mortgagee and each other lienholder of record having a lien against any part of the project, or building, affected by such amendment.

Section 13. Adoption and Amendment of Administrative Rules and Regulations. By majority vote of the Unit Owners the Association shall adopt, and thereafter amend, such rules and regulations governing the details of the operations and use of the common elements as shall not contravene these Bylaws or the Declaration of Tennis Village Townhouses.

Section 14. Sunriver Plan and Declarations. In addition to these Bylaws, the Association, all Unit Owners and all persons using the condominium property are subject to the following:

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1. Covenants and restrictions in Plan of Sunriver, recorded June 20, 1968, in Book 159, Page 198, Deed Records. Supplement to Plan of Sunriver, recorded October 19, 1976, in Book 239, Page 270, Deed Records. As amended by instrument recorded January 3, 1986, in Book 113, Page 1158, Deschutes County Records.
2. Covenants, Conditions and Restrictions, including the terms and provisions thereof, contained in Declaration and including the right to levy certain charges and assessments against the subject property.
Recorded: June 20, 1968.
Book/Page: 159, 237, Deed Records.
3. Declaration of Unit Ownership, Tennis Village Townhouses, Stage I, including the terms and provisions thereof, recorded December 13, 1976, in Book 242, Page 158 through 191 inclusive, Deed Records; as amended by instrument recorded December 16, 1985, in Book 112, Page 473, Deschutes County Records.
4. Declaration of Unit Ownership, including the terms and provisions thereof, and By-Laws of Stage II, Tennis Village Townhouses, recorded April 27, 1977, in Book 249, Page 334 through 354, inclusive, Deed Records; as amended by instrument recorded May 3, 1977, in Book 249, Page 656, Deed Records, and amended October 30, 1978, in Book 286, Page 444, Deed Records, and amended December 20, 1983, in Book 37, Page 485; and amended by instrument recorded December 16, 1985, in Book 473, Deschutes County Records.
5. Declaration of Unit Ownership, including the terms and provisions thereof, and Bylaws of Stage III, Tennis Village Townhouses, recorded November 17, 1977, in Book 262, Page 452 through 470, inclusive, Deed Records; as amended by instrument recorded December 20, 1983, in Book 37, Page 485; and amended by instrument recorded December 16, 1985, in Book 473, Deschutes County Records.
6. Declaration of Unit Ownership, including the terms and provisions thereof, and By-Laws of Stage IV, Tennis Village Townhouses, recorded

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December 13, 1976, in Book 269, Page 257 through 273, inclusive, Deed Records. An amendment, including the terms and provisions thereof, was recorded December 16, 1985, in Book 112, Page 473, Deschutes County Records.

Section 15. Limitation of Liability. The Board of Directors or/and manager, and each thereof, shall not be liable for any failure of water supply or other service to be obtained and paid for by the Board of Directors hereunder, or for any injury or damage to person or property caused by the elements or by another owner or person in the project, or damage from electricity, water, rain, snow or ice which may leak or flow from outside or from any part of the building, or from any of its pipes, drains, conduits, appliances or equipment or from any other place unless caused by gross negligence of the Board of Directors or the manager, as the case may be. No diminution or abatement of common expense assessments shall be claimed or allowed for inconvenience or discomfort to the common elements or from any action taken to comply with any law, ordinance or orders of a governmental authority.

Section 16. Indemnification of Directors and Officers. Each director and officer of the Association now or hereafter in office and his heirs, executors and administrators shall be indemnified by the Association against all costs, expenses and amounts of liability therefor, including counsel fees reasonably incurred by or imposed upon him in connection with or resulting from any action, suit, proceeding or claim to which he may be made a party; or in which he may be or become involved by reason of his acts or alleged acts of omission or commission as such director or officer, or subject to the provisions hereof, any settlement thereof, whether or not he continues to be such director or officer at the time of incurring such costs, expenses or amounts. Such indemnification shall not apply, however, with respect to any matter as to which such director or officer shall be finally adjudged in such action, suit or proceeding to have been individually guilty of willful misfeasance or malfeasance in the performance of his duty as such director or officer. Further, the indemnification herein provided shall, with respect to any settlement of any such suit, action, proceeding or claim, include reimbursement of any amounts paid and expenses reasonably incurred in the settling of any such suit, action, proceeding or claim when in the judgment of the Board of Directors the settlement and reimbursement appear to be for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of any and all other rights as to which any such director or

Page 17. AMENDED AND RESTATED BYLAWS OF TENNIS VILLAGE
TOWNHOUSES ASSOCIATION, INC.

MARCEAU, KARNOPP, PETERSEN & NASH
ATTORNEYS
835 N.W. BOND STREET
BEND, OREGON 97701-2799

0136-2374

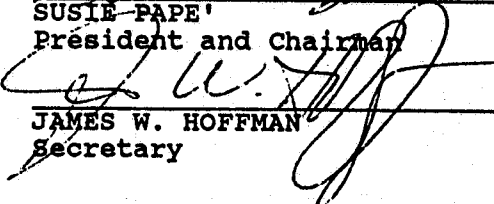
officer may be entitled under any agreement, vote of Unit Owners, or otherwise.

Section 17. Amendments. Amendments to these Bylaws may be proposed by resolution of the Board of Directors at any time. Amendments to the Bylaws may also be proposed at any meeting of the Unit Owners. No amendments to the Bylaws proposed in either of such ways shall be effective unless approved by at least a majority of the Unit Owners and until (a) the amendment is approved by the Oregon Real Estate Commissioner, and (b) and a copy of the Bylaws as amended on the amendment thereto is certified by the Chairman and Secretary of the Association of Unit Owners and recorded in the Official Records of Deschutes County, Oregon.

Section 18. Effective Date. These Amended and Restated Bylaws shall be effective on the date this instrument is recorded in the Official Records of Deschutes County, Oregon, pursuant to Section 17 above and ORS 94.152.


SUSIE PAPE'

President and Chairman


JAMES W. HOFFMAN
Secretary

STATE OF OREGON)
County of Lane) ss.

The above-signed, SUSIE PAPE', certifies that the above Amended and Restated Bylaws of Tennis Village Townhouses Association, Inc. were adopted in accordance with the existing Bylaws of said Association and the provisions of ORS 94.004 to 94.480 and 94.991.

SUBSCRIBED AND SWORN to before me this 5 day of November, 1986.


Notary Public for Oregon

My Commission Expires: 9-8-89


STATE OF OREGON)
County of Lane) ss.

The above-signed, JAMES W. HOFFMAN, certifies that the above Amended and Restated Bylaws of Tennis Village Townhouses Association, Inc. were adopted in accordance with the

Page 18. AMENDED AND RESTATED BYLAWS OF TENNIS VILLAGE TOWNHOUSES ASSOCIATION, INC.

MARCEAU, KARNOPP, PETERSEN & NASH
ATTORNEYS
835 N.W. BOND STREET
BEND, OREGON 97701-2799

0136-2375

existing Bylaws of said Association and the provisions of ORS 94.004 to 94.480 and 94.991.

SUBSCRIBED AND SWORN to before me this 5 day of November, 1986.



J. J. Fitzpatrick
Notary Public for Oregon
My Commission Expires: 9-8-89

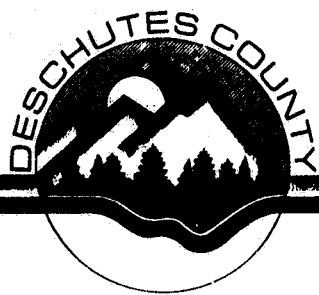
The foregoing Amended and Restated Bylaws is approved pursuant to ORS 94.152 this 12th day of November, 1986.

MORELLA LARSEN
Real Estate Commissioner

By Marge Robinson
Marge Robinson

Page 19. AMENDED AND RESTATED BYLAWS OF TENNIS VILLAGE TOWNHOUSES ASSOCIATION, INC.

MARCEAU, KARNOPP, PETERSEN & NASH
ATTORNEYS
835 N.W. BOND STREET
BEND, OREGON 97701-2799



0136-2376

Assessor's Office

Deschutes County Courthouse / Bend, Oregon 97701 / (503) 388-6508

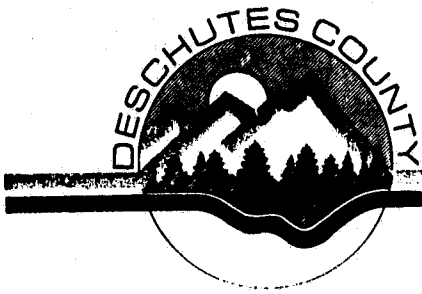
Oscar B. Bratton, Deschutes County Assessor

November 17, 1986

The foregoing Amended and Restated Bylaws is approved pursuant to
ORS 94.036 this 17th day of November, 1986.

Joan Rotsolk

Joan Rotsolk
Deputy Assessor



0136-2377
Treasurer and Tax Collector

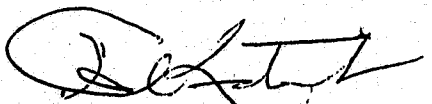
Deschutes County Courthouse / Bend, Oregon 97701

Helen Rastovich, Treasurer & Tax Collector
(503) 388-6536

Marilyn Baer, Tax Deputy
(503) 388-6538

November 17, 1986

The foregoing Amended and Restated Bylaws for Tennis Village Townhouses Association, Inc. dated November 5, 1986 is approved pursuant to ORS 94.036 this 17th day of November, 1986.


Helen Rastovich
Treasurer and Tax Collector

STATE OF OREGON)
COUNTY OF DESCHUTES) SS.

I, MARY SUE PENHOLLOW, COUNTY CLERK AND
RECORDER OF CONVEYANCES, IN AND FOR SAID
COUNTY, DO HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS RECORDED THIS DAY:

1986 NOV 18 PM 3:22

MARY SUE PENHOLLOW
COUNTY CLERK

BY.  DEPUTY

NO. 86-23442 FEE 85-
DESCHUTES COUNTY OFFICIAL RECORDS