DECLARATION OF UNIT OWNERSHIP
FOR
SPAULDING OAKS CONDOMINIUM
an Oregon condominium

This Declaration submits to the provisions, restrictions
and limitations of Oregon Unit Ownership Law, land hereinafter
described and all improvements now existing or to be constructed
on such property, to be known as SPAULDING OAKS CONDOMINIUM, a
condominium, lying and being in the County of Yamhill, State of
Oregon, and described more fully on Exhibit “A-1” attached hereto
and incorporated herein.

See Exhibit “A-1” attached hereto and incorporated
herein, which sets out the legal description of
Stage I of said condominium.

Exhibit A-2 shows the legal descriptions for lands
that will be included in Phases II and III in the
event those phases go forward.

Recitals, Intent and Purpose

WHEREAS, George Fox College Foundation, an Oregon corporation
(the “Declarant”), is owner in fee simple of the above-described
property and desires to submit said property to the condominium
form of ownership, as Stage I of Spaulding Oaks Condominium, to
be converted, handled and used in the manner provided by the
Oregon Unit Ownership; and

WHEREAS, the Declarant desires to develop Spaulding Oaks
Condominium in three stages (hereinafter referred to as “Stage I,”
“Stage II,” and “Stage III”). Stage I shall consist of living
units, Stage II of living units, and Stage III of living units.
The legal description of Stages II and III are set out in Exhibits
“A-2” and “A-3”, respectively.

NOW, THEREFORE,

Declaration

Declarant hereby declares on behalf of itself, its
successors, grantees and assigns, as well as to any and all
persons having, acquiring or seeking to have or acquire any
interest of any nature whatsoever in and to any part of the
property as follows:

PAGE 1 - DECLARATION OF UNIT OWNERSHIP
(1) Definitions.

Each of the terms herein shall have the meaning set forth in Oregon Unit Ownership Law, ORS 91.505, and said statute and definitions are incorporated herein.

(2) Land Description.

The land submitted to the Oregon Unit Ownership Law hereunder is owned and submitted by the Declarant in fee simple interest. The land is located in the County of Yamhill, State of Oregon and is more particularly described on Exhibit "A-1" herein.

(3) Name and Unit Description.

3.1. Name.

The name by which the property submitted hereunder shall be known is Spaulding Oakes Condominium.

3.2. Unit Description.

Other than in common, the owners of the respective units shall not be deemed to own the undecorated and/or unfurnished surfaces of the perimeter walls, floors, and ceiling surrounding their respective units, nor shall said owners be deemed to own pipes, wires, conduits or other public utility lines running through said respective units which are utilized for, or serve more than one unit, except as tenants in common with other unit owners. Said owners, however, shall be deemed to own the interior walls and partitions which are contained within said owner's respective unit, and also shall be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floors and ceiling, including paint, wallpaper, and/or other type decorations.

In interpreting deeds, mortgages, deeds of trust and other instruments, for any purpose whatever or in connection with any matter, the existing physical boundaries of the unit or of a unit reconstructed in substantial accordance with the original plans hereof shall be conclusively presumed to be the boundaries regardless of settling, raising or lateral movement of the building and regardless of variances between boundaries as shown on the plat and those of the actual building or buildings.
3.3. Unit Description and Stage Development

The land submitted by this Declaration has four buildings thereon in which condominium units are located. These buildings are designated on Page IA of Exhibit "E", as Buildings A, B, C (also C-I), and E.

Each unit will be furnished with an electric range, dishwasher, washer, dryer, refrigerator and garbage disposal. The bathrooms and kitchens will have vinyl flooring or carpet, as will the remainder of the unit.

The four condominium buildings in Stage I, hereafter submitted to the Oregon Unit Ownership Law, contain 19 condominium units. The numerical designation of the units in Stage I and those units proposed for Stage II and III is set out on Exhibit "B". All of the condominium buildings are of wood frame construction on concrete foundation, with concrete tile roofing.

There will be no more than six buildings containing no more than 12 units in the proposed Stage II, (including community center) which will be designated as in Exhibit B, page 31. There will be three buildings containing no more than 20 units in the proposed Stage III which will be designated as in Exhibit B, page 1C.

There will be six types of units if and after all stages are completed, which are denominated Types "A", "B", "C", "C-I", "D", and "E". The number, type, approximate floor space and percentage interest in the common elements, for each stage of development, is as follows:

<table>
<thead>
<tr>
<th>Unit No.</th>
<th>Type of Building</th>
<th>Approx. Floor Space</th>
<th>Percentage of Interest in Common Elements at Each Stage</th>
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PAGE 3 - DECLARATION OF UNIT OWNERSHIP
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The typical floor plan of each type unit and the typical cross section of each condominium building is set out in Exhibit "B".
Phase II if developed will be added not later than March 1, 1981, and Phase III if added will be added not later than August 1, 1983. The declarant at his option shall be free to develop Phase II and or III before Phase I is completed. Declarant shall have the option to develop Phase III or portions of Phase III before Phase II if he desires.

3.4 CARPORTS.
Carports shall be limited common elements. The use of each carport shall be limited in use to the owner of the unit which bears the same number as such carport, as shown on the plat submitted with this filing.

VOTING. The Association shall have two classes of voting membership.

Class A. Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each unit owner, notwithstanding the provisions of ORS 91.500 (15), regardless of the dollar value of any one unit compared to another. When more than one (1) person holds an interest in any unit all such persons shall be members. The vote for such unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any unit. Fractional votes shall not be allowed. The vote applicable to any said unit being sold under contract of purchase shall be exercised by the contract seller, unless the contract expressly provides otherwise.

Class B. Class B members shall be the Declarant and shall be entitled to five (5) votes for each unit owned, provided that existing Class B votes shall be converted to Class A votes upon the happening of either of the following events, whichever first occurs:

1. On a date five (5) years from the date of the filing of the Declaration and By-Laws on Spaulding Oaks condominium with Yamhill Co.

2. When the total votes outstanding in Class A membership equal the total votes outstanding in the Class B membership provided that, if Declarant subjects additional property to the jurisdiction of the Association by recorded covenants in the manner provided herein, it shall be entitled to Class B votes for such additional property as indicated above.

(4) General Common Elements.

The general common elements of Stage I consist of vehicle parking spaces (not including carports which are limited common elements) fences, grounds, walkways, landscaping and basically all portions of the condominium that are not part of any unit. The porches and patios and fences if any, front and back yards surrounding each unit, which are part of the general common elements, will be restricted in use to the owner of said unit.

The general common elements of Stage II consist of the recreation building (Comm Bld) and landscaping. No amenities other than landscaping are proposed to be a part of Stage III. In addition to the above, the common elements to be added by proposed Stages II and III will consist of everything in each respective stage which is not part of any unit.
The general common elements shall be used in accordance with and subject to the following provisions:

4.1. Rules and Regulations promulgated by the Association.

No person shall use the common elements or any part thereof in any manner contrary to or not in accordance with such rules and regulations pertaining thereto, as from time to time may be promulgated by the Association. Without in any manner intending to limit the generality of the foregoing, the Association shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the common elements to the members of the Association and their respective families, guests, invitees and servants. Such use may be conditioned upon, among other things, the payment by the unit owner of such assessments as may be established by the Association for the purpose of defraying the cost thereof.

4.2. Maintenance and Repair.

Maintenance and repair of the common elements shall be the responsibility of the Association, except for the patios, porches and fences yard restricted in use to a single unit which shall be maintained and repaired by such unit owner. Nothing herein contained, however, shall be construed so as to preclude the Association from delegating to persons, firms or corporations of its choice, such duties as may be imposed by the Association. Common expenses resulting from the aforesaid maintenance and repair, except those portions restricted in use to a single unit, shall be borne on the periodic basis as determined by the Association in the same percentage which each unit has an interest in the common elements. The Association of Unit Owners, through its officers, shall notify any unit owner who fails to maintain common elements, the use of which is restricted to such unit owner. The notice shall be in writing and shall describe the maintenance required to be carried out. If such unit owner fails to perform such required maintenance or arrange with the Association's officers for a reasonable extension of time, the maintenance shall be performed by the Association, and the unit owner shall be assessed for the cost incurred.
by the Association. All assessments made by the Association pursuant to this Declaration or the Bylaws shall constitute a lien on the unit of the owner so assessed which may be recorded and foreclosed as provided in ORS 91.580.

4.3 Income from Common Elements.

All income derived from any coin-operated vending machines and/or any other income derived from the common elements shall be divided among the unit owners in the same proportions as their percentage interest in the common elements. The Board of Directors may, in its discretion, disburse such income directly to the unit owners or use the funds to help meet the expense of maintaining the common elements.

4.4 Vehicle Parking Spaces.

Stage I has vehicle parking spaces as part of the general common elements. The Board of Directors may promulgate rules and regulations related to the use of these common elements for the benefit of all unit owners. The Board of Directors may set up an assignment system for the vehicle parking spaces and a waiting list in the event demand for use exceeds the number of spaces. The spaces shall be assigned on a first-come, first-served basis. Provided, however, if a waiting list exists, no unit owner may be assigned more than one space.

4.5 Reservation of Use by Declarant During Construction and Prior to Sale of All Units.

During the course of construction for all stages of the condominium, the Declarant shall have an easement to traverse and store materials upon the common elements as may reasonably be necessary for the purpose of completing construction and landscaping of the condominium project or any part thereof. Until units in all stages are sold or until December 31, 1982, whichever is earlier, the Declarant shall have the right to
maintain a sales office in the recreational building (Com. Bldg.) or in one of the condominium units at his discretion.

(5) Right of Entry.

In case of an emergency originating in or threatening his unit, an owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association, whether the owner is present at the time or not.

An easement is reserved to the Association in and through any unit and the common elements providing access at reasonable times and with reasonable notice for purposes of maintenance, repair and replacement of the common elements. If, in the process of such repair and maintenance by the Association, it is necessary to alter or damage any unit or common elements, such alterations or damages will be permitted without compensation, provided the unit and/or common elements are promptly restored to substantially their prior condition by the Association.

If any portion of the common elements encroaches upon a family unit, a valid easement for the encroachment and for the maintenance of the same, as long as it stands, shall be and does exist. In event of the structures being partially or totally destroyed, and then rebuilt, the owners of the family units agree that minor encroachment of parts of the common elements due to such rebuilding shall be allowed and an easement shall exist for such purpose.

Upon request and at reasonable times, any unit owner shall be permitted to enter and travel throughout areas otherwise restricted to the use of another unit owner for the purpose of maintaining or moving large objects into the area restricted in use to the unit owner making such request. The request shall be made to the unit owner whose private area will be entered. Any unreasonable refusal shall be brought to the immediate attention of the Board of Directors.

(6) Limited Common Elements.

The carports, and any storage within the carports, shall be limited in use to the owners of units which bear the same number as such each such carport as shown in the plat filed in this matter. The following numbered units are those in which correspondingly numbered carports are limited in use: 1-19.
The limited common elements shall be maintained at the expense of the unit owners to whom their use is limited. The Board of Directors may establish a special reserve fund to be created by assessments of the owners of units to which these limited common elements are assigned to provide for the maintenance and upkeep of the same.

(7) Use of Property.

7.1. Compliance with Laws, Ordinances and Regulations.

Each unit is to be used as a single family dwelling. The common elements shall be used for the furnishings of services, facilities and for the enjoyment of the units. No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof, and all valid laws, zoning ordinances and regulations of the governing bodies having jurisdiction thereof shall be observed.

7.2. Additional Assessment for Multiple Occupancy.

The common elements of the condominium which are unrestricted in use are for the benefit of and may be used and enjoyed by all occupants of each unit regardless of their number. However, because of the disproportionate wear and tear and demand for use of the common elements attributable to units with multiple occupants, additional monthly assessments will be made to unit owners with more than "two" occupants. Any person who intends or for whom it is intended to make a unit his principal residence and any guest whose visit in the unit exceeds 30 days during a calendar year shall be deemed an occupant for purposes of this subsection. The additional monthly assessment shall be $1.00 for the third, $25.00 for the fourth and $75.00 for each additional person over four. The additional assessments shall be prorated for each additional occupant who does not reside in the unit during the entire month.

(8) Management of Affairs of the Association of Unit Owners.

The affairs of the Association of Unit Owners shall
be managed by a Board of Directors and by officers consisting of a Chairman of the Board of Directors, a Secretary and a Treasurer. The Board of Directors shall adopt administrative rules and regulations governing details of the operation, maintenance and use of the property, and to prevent unreasonable interference with the use of the respective units and of the common elements by the several unit owners. The Board of Directors may retain an individual (one of the unit owners), a firm or corporation to act as manager of the property.

9) Service of Process.

The name of the person to receive service of process in cases provided in Subsection 1 of ORS 91.612 is Milo C. Ross, 200 N. Meridian, Newberg, OR 97132.

10) Adoption of Bylaws.

The undersigned Declarant, subject to this Declaration, has adopted, pursuant to the regulations of the Oregon Unit Ownership Law, the Bylaws attached hereto and by reference made a part hereof, marked Exhibit "C," to govern the administration of the property.

10.1 Amendment.

The Bylaws may be amended from time to time as provided therein. Any amendment thereto shall be recorded in the official records of Yamhill County, Oregon.

10.2 Compliance with Bylaws and Other Restrictions.

Each unit owner shall comply with the Bylaws and with the administrative rules and regulations adopted pursuant thereto and with the covenants, conditions and restrictions in this Declaration or in the deed to his unit. Failure to comply therewith shall be grounds for suit or action, maintainable by the Association of Unit Owners or by any unit owner, in addition to other sanctions which may be provided by the Bylaws or by any existing administrative rules and regulations.

10.3 Legal Proceedings.

Failure to comply with any of terms of the condominium documents and regulations adopted pursuant thereto, shall be grounds for relief which may include,
without intending to limit the same, an action to recover sums due, damages or a suit for injunctive relief, to foreclose a lien or any combination thereof. Relief may be sought by the Association or by the manager of the Association, or if appropriate, by an aggrieved unit owner.

10.4. Costs and Attorneys' Fees.

In any proceeding arising because of alleged default by a unit owner, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorneys' fees as may be determined by the court for the trial or any appeal thereof.

10.5. Waiver of Rights.

The failure of the Association or a unit owner to enforce any right, provision, covenant or condition which may be granted by a condominium document, shall not constitute a waiver of the right of the Association or unit owner to enforce such right, provision, covenant or condition in the future.

(11) Covenants with the City of Newberg.

The Association shall maintain the common areas and elements of the condominium (including open spaces, recreational facilities and accessways) in the manner necessary to meet the standards lawfully required by the City of Newberg under the authority of its ordinances, including but not limited to, ordinances relating specifically to the condominium property. Unit owners shall be assessed sufficient amounts to assure that the maintenance of common areas and elements conforms to such standards. The foregoing maintenance requirements shall continue as an obligation upon the property and the owners thereof, notwithstanding dissolution of the Association or withdrawing of the property from unit ownership.

In the event the Association is dissolved or for any other reason ceases to maintain the common areas and elements (including open spaces, recreational facilities and accessways), the City of Newberg may perform any maintenance work it reasonably deems necessary and may impose a lien upon the units, and common elements appertaining thereto, for reasonable value of said work. Any such lien may be enforced and foreclosed.
In the manner provided in ORS 223.505 to 223.650. Notwithstanding any other provisions of this Declaration and the Bylaws, the foregoing covenant and restriction shall not be amended, changed, revoked or terminated in whole or in part, without the express written consent of the City of Newberg.

(12) Mortgages.

12.1 Notice of Change in Documents or Manager.

The Association of Unit Owners shall give each mortgagee written notice thirty (30) days prior to the effective date of (i) any change in the condominium documents and (ii) any change of manager (not including change in employees of corporate manager) of the condominium project.

12.2. Notice of Default by Mortgagor.

The Association of Unit Owners shall give each mortgagee written notification of any default by the mortgagor of such unit in the performance of such mortgagor's obligations under the condominium documents which is not cured within thirty (30) days.

12.3. Mortgagee Exempt from Certain Restrictions.

Any holder of a mortgage which comes into possession of the unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal" or other restriction on the sale or rental of the mortgaged unit, including but not limited to, restrictions on the posting of signs pertaining to the sale or rental of the unit.

12.4. Discharge of Lien Upon Foreclosure.

Any holder of a mortgage which comes into possession of the unit pursuant to the remedies provided in the mortgage, by foreclosure of the mortgage, or by deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assesse-
ments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units including the mortgaged unit).

12.5. Written Consent of Mortgagee Required in Certain Cases.

Unless all holders of first mortgage liens on individual units have given their prior written approval, the Association of Unit Owners of the condominium shall not:

(a) fail to employ a manager for the condominium project; provided, however, any agreement for professional management of the condominium project shall provide that the management contract may be terminated for cause after ninety (90) days' written notice and the term of any such contract shall not exceed three years;

(b) change the pro rata interest or obligations of any condominium unit for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (2) determining the pro rata share of ownership of each unit in appurtenant real estate and any improvements thereon which are owned by the unit owners in the condominium project in undivided pro rata interests ("common elements");

(c) partition or subdivide any unit or the common elements of the project; or

(d) by act or omission seek to abandon the condominium statutory project except as provided by statutes in case of substantial loss to the units and common elements of the condominium project;

(e) by act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer, the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a
transfer within the meaning of this clause;

(f) use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or common elements of the condominium project.

12.6. Proxy Held by Mortgagee in Certain Cases.

The first mortgagee or beneficiary under a trust deed may attend a meeting of the Association of Unit Owners with the proxy of the mortgagee of said unit for the purpose of voting to paint or otherwise maintain the common elements. Provided, however, such right shall arise only in the event the mortgagee reasonably believes that the Association of Unit Owners has failed to maintain the common elements in sufficient manner to prevent excessive wear and tear.

12.7. Right to Examine Books and Records.

All first mortgagees shall have the right to examine the books and records of the Condominium Owners Association or the condominium project upon reasonable notice and at reasonable times.

12.8. Notice in Event of Loss or a Taking.

The Condominium Owners Association shall give all first mortgagees written notice of any loss to, or taking of, the common elements of the condominium project if such loss or taking exceeds $10,000.00.

13. Amendments to Declaration.

This Declaration submits Stage I as hereinbefore described to the provisions, restrictions and limitations of the Oregon Unit Ownership Law. As, if, and to the extent Stages II and III are developed, an amendment to the Declaration will be filed by the Declarant adding on the units proposed for the respective stages of the condominium. Each such amendment shall have the effect only of adding
the units in such respective stage to the condominium and shall in no way amend, change or modify the provisions of the Declaration, excepting for those which are required to be amended to permit the addition of the units in such stage to the condominium.

(14) subdivision.

No unit may be subdivided into divisions of any nature.

IN WITNESS WHEREOF, the undersigned fee owner of the subject property has caused this Declaration to be executed this _____ day of August, 1977.

GEORGE FOX COLLEGE FOUNDATION

By: _____

Milo C. Ross, Executive Director

STATE OF OREGON ) ss. August 9, 1977

County of Yamhill )

Personally appeared the above-named MILO C. ROSS, who being first duly sworn, did say that he is the Executive Director of the George Fox College Foundation, an Oregon corporation, and that the foregoing instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and they acknowledged said instrument to be its voluntary act and deed.

BEFORE ME: _____

NOTARY PUBLIC FOR OREGON
Legal descriptions for Spaulding Oaks Condominiums, a George Fox College project in Newberg, Oregon.

Phase 1

A portion of the N.E. 1/4 of the S.E. 1/4 of Section 17, TNS, R2N, W.M., Yamhill County, Oregon and more particularly described as follows:

Beginning at a point on the East line of Meridian Street said point bears 30.0' from the Center of said Street and N 0°11'30"W 608.37' from the intersection of the Northerly Right-of-Way line of the Southern Pacific Railroad and running thence S 89°50'20" E 153.88' to a point, thence S 60°45'15"E 144.29' to a point, thence South 127.50' to a point, thence West 203.00' to a point, thence South 80.00' to a point, thence West 75.85' to a point on the said East line of Meridian Street, thence N 0°11'30"W along said East line 278.07' to the point of beginning.

Containing 56,974 square feet more or less.
Legal description for Spaulding Oaks Condominiums, a George Fox College Foundation project in Newberg, Oregon.

Phase 2

A portion of the Northeast Quarter of the Southeast Quarter of Section 17, Township 3 South, Range 2 West of the Willamette Meridian in Yamhill County, Oregon and more particularly described as follows:

Beginning at a point which bears North 527.18' and East 428.08' from the intersection of the East line of Meridian Street (30.00' from Center line) and the Northerly Right-of-Way of Southern Pacific Railroad and running thence South 248.07' to a point on said Railroad and running thence South 56°56'40" West along said Right-of-Way 186.92' to a point; thence South 56°56'40" West 197.04' to a point; thence West 90.00' to a point; thence North 68.00' to a point; thence East 203.00' to a point; thence North 127.50' to a point; thence East 137.17' to the point of beginning.

Containing 68,609 square feet more or less.

Phase 3. (This land will be subject to declaration on the condominium only if Phase III is developed.)

A portion of the N.E. 1/4 of the S.E. 1/4 of Section 17, T3S R2W W.M., Yamhill County, Oregon and more particularly described as follows:

Beginning at the intersection of the East line of Meridian Street (30.00' from Center line) and the Northerly Right-of-Way line of Southern Pacific Railroad and running thence N 0°11'30" W 130.00' to a point; thence East 71.85' to a point; thence S 37°03'20" E 197.04' to a point on said Northerly Right-of-Way of said Railroad; thence S 56°56'40" W along said Right-of-Way 324.78' to the point of beginning.

Containing 59,478 square feet more or less.
BYLAWS of
SPALDING OAKS CONDOMINIUM

ARTICLE I

PLAN OF FAMILY UNIT OWNERSHIP

Section 1. Family Unit Ownership. The project, located in the City of Newberg, County of Yamhill, State of Oregon, known as SPALDING OAKS CONDOMINIUM, is submitted to the provisions of Oregon Revised Statutes, Sections 91.505 to 91.675, the Oregon Unit Ownership Law.

Section 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.

Section 3. Personal Application. All present or future owners, tenants, future tenants or their employees, or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these bylaws.

The mere acquisition or rental by a person of any of the units in Stage I or of any of the proposed units in Stage II and units in Stage III (if and to the extent such stages are developed) (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 by such person.

ARTICLE II

ASSOCIATION MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Membership in the Association. Upon becoming the legal owner of contract purchaser of a family unit, said owner shall automatically be a member of the Association, and shall remain a member of said Association until such time as his ownership ceases for any reason. Unit ownership shall be determined, for all purposes of the Declaration of Unit Ownership ("Declaration") and the administration of the property, from the record of unit ownership maintained by the Association. The record shall be established by the unit owner filing with the Association a copy of the deed to or land sale contract for his unit, to which shall be affixed the certificate of the recording officer of the County of Yamhill, Oregon, showing the date and place of recording of such deed or contract. No person shall be recognized as a unit owner unless a copy of the deed or land sale contract has been filed with the Association, as provided
above, showing him to be the current owner or contract purchaser of a
unit. Notwithstanding the foregoing, the Declarant shall be the owner
of all previously unsold units, although no deed or land sale contract,
with respect to such units, has been filed with the Association.

Section 2. VOTING. The Association shall have two classes of voting
membership.

Class A. Class A members shall be all owners, with the exception
of the Declarant, and shall be entitled to one (1) vote for each unit
owned, notwithstanding the provisions of ORS 91.500(15), regardless of
the dollar value of any one unit compared to another. When more than
one (1) person holds an interest in any unit all such persons shall
be members. The vote for such unit shall be exercised as they among
themselves determine, but in no event shall more than one (1) vote
be cast with respect to any unit. Fractional votes shall not be
allowed. The vote applicable to any said unit being sold under contract
of purchase shall be exercised by the contract seller, unless the con-
tract expressly provides otherwise.

Class B. Class B members shall be the Declarant and shall be en-
titled to five (5) votes for each unit owned, provided that existing
Class B votes shall be converted to Class A votes upon the happening
of either of the following events, whichever occurs first:

1. On a date five (5) years from the date of the filing of the
Declaration and Bylaws on Sappington Oaks Condominium with Yamhill Co.

2. When the total votes outstanding in the Class A membership
equal the total votes outstanding in the Class B membership provided
that, if Declarant subjects additional property to the jurisdiction
of the Association by recorded covenants in the manner provided herein,
it shall be entitled to Class B votes for such additional property as
indicated above.

Section 3. MAJORITY OF OWNERS. As used in these bylaws, the term
"majority of voting owners" shall mean those owners holding over fifty
percent (50%) of the vote, in accordance with these Bylaws. "Majority
of voting owners present" shall mean voting owners holding over fifty
percent (50%) of the votes present at any legal meeting.

Section 4. QUORUM. Except as otherwise provided in these Bylaws, the
presence in person or by proxy of a "majority of voting owners" as
defined in Section 3 of this Article shall constitute a quorum.

Section 5. PROXIES. Votes may be cast in person or by proxy. Proxies
must be filed with the Secretary before or during the appointed 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. A meeting
of the Association may be by proxy ballot, as the Directors may elect,
rather than at a formal gathering. Ballots for such meeting must be
properly executed and return in sufficient quantity to constitute a
quorum and to pass the proposal specifically propounded on the ballot.
Section 6. 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.

ARTICLE III
ADMINISTRATION

Section 1. Association Responsibilities. The owners of the family units will constitute the Association of Unit Owners ("Association") who will have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments and arranging for the operation, management and maintenance of the project, including negotiating and contracting with and supervising any person, persons or business entity with respect to such matters. Except as otherwise provided in the Declaration or these bylaws, decisions and resolutions of the Association shall require approval by a majority of owners present at any legal meeting. A legal meeting is one duly called pursuant to these bylaws where a quorum is present in person or by proxy at a formal gathering, or if the meeting is held by ballot, when ballots are returned representing more than fifty percent (50%) of the percentage vote.

Section 2. Place of Meetings. Formal 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. The vote of ballot meeting shall be determined by the Board of Directors within 48 hours of the deadline for return of ballots. Each unit owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned, within ten (10) days after the ballots have been counted.

Section 3. Initial Meeting. The initial organizational meeting will be held within a reasonable time after the completion of Stage I of the condominium by notice to all unit owners not less than seven days before the meeting as to the time and place thereof. Thereafter, a second organizational type meeting will be held as soon after completion of Stage II as is practicable. Thereafter, a third organizational type meeting will be held as soon after completion of Stage III as is practicable.
Section 4. Annual Meetings. The first annual meeting of the Association shall be held during the first full calendar year after completion of Stage I, 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 those members of the Board of Directors whose terms have expired shall be elected by the owners in accordance with the requirements of Section 5 of Article IV of these bylaws. The owners may also transact such other business of the Association as may properly come before them.

Section 5. Special Meetings. It shall be the duty of the Chairman to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by ten percent (10%) or more of the owners having been presented to the Secretary. All meetings called because of petition of unit owners shall be held at a formal gathering and not by ballot. 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 owners of the units or as otherwise set out in these bylaws.

Section 6. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual, special or regular meeting by ballot, stating the purpose thereof and the time and place where it is to be held, to each owner of record at least ten (10) but not more than sixty (60) days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. The mailing shall be to the owner's address last given the Secretary in writing by the unit owner or his vendee. If unit ownership is split or the unit has been sold or a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If no address has been 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.

Section 7. Adjourned Meetings. If any gathering of owners is not a legal meeting 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. The adjournment provisions of this Section do not apply to meetings by ballot.

Section 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 the 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

ARTICLE IV
BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Association shall be governed by a board of Directors composed of three persons for Stage I and five persons after the addition of Stage II. The two directors elected after the addition of Stage II shall be owners of units in that stage, unless Stage III has been added to the condominium project simultaneously with Stage II, in which event either or both of the additional directors may be owners of units in Stage III. If Stage III is not developed and added to the project, the board of directors shall consist of the number of directors elected for Stage I. All directors must be a unit owner or the co-owner of a unit. Provided, however, co-owners of the same unit may not serve as directors simultaneously. If Stage III is added subsequently to Stage II, owners of units in Stage III will not have an opportunity to serve as a director until the next election or an earlier vacancy.

Section 2. Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the association and may do all such acts and things as are not by law or by these bylaws directed to be exercised and done by the owners.

Section 3. Other Duties. In addition to duties imposed by these bylaws or by resolutions of the association, the board of directors shall have authority to carry out and be responsible for the following matters:

(a) Care, upkeep and supervision of the project and the general common elements and the limited common elements, if any, and assigning, supervising assignments or approving any assignment of the use of any common element, general or limited, as may be required by the declaration.

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

(c) Payment of all common expenses of the Association and institution and maintenance of a voucher system for such payment, which shall require a sufficient number of signatories thereof as may be reasonably necessary to prevent any misuse of Association funds.

(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) Leasing, subleasing or hypothecation, in any manner, of the general or limited common elements, if any, of the condominium which have or may have any income producing potential.

(f) Proclamation and enforcement of rules and conduct for unit owners, employees and invitees which shall be consistent with the restrictions set out in Article VI, Section 6 of these bylaws.

Section 4. Management Agent. The Board of Directors may employ a management agent, to be compensated in any amount 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 3 of this Article. The managing agent shall have the right to contract with or lease a unit from any unit owner, for the management of said unit, individually or collectively with other unit owners.

Section 5. Election and Term of Office. At the initial organizational meeting, three directors shall be elected; two at the second organizational meeting. At the initial meeting, one director shall be elected for a one-year term, one for a two-year term and one for a three-year term. At the second meeting, one director shall be elected for a term to coincide with the term of the two-year director and another director shall be elected to coincide with the term of the three-year director which have been elected at the initial organizational meeting.
Section 6. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of a 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 upon expiration of the term for which such person was elected by the other Directors to serve.

Section 7. Removal of Directors. At any legal annual or special meeting, other than a meeting by ballot, 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.

Section 8. Organisational 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 to legally hold such meeting, providing a majority of the newly-elected Directors are present. A second Board of Directors' meeting shall be held within ten (10) days after directors are elected upon the addition of Stage II and or Stage III. Such meetings shall be held at the place and in the same manner as the initial organisational meeting.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings of the Board of Directors may be called by the Chairman on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

Section 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.

Section 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
de deemed equivalent to 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.

Section 12. Board of Directors' Quorum. At all meetings
of the Board of Directors, a majority of the existing
Directors shall constitute a quorum for the transaction of
business, and the acts of the majority of the Directors
shall be the acts of the Board of Directors. If, at any
meeting of the Board of Directors, there 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.

Section 13. Action by Written Memorandum. Any action
which could be taken by the Board of Directors at a regular
or special meeting may also be taken by a written "Memorandum
of Action" signed by all of the existing Directors approving
such action.

Section 14. Conference Call Meetings. Meeting by ballot
may be held by the Board of Directors in the same manner as
ballot meetings of the Association. Telephonic meetings may
be held either upon notice to all Directors as to the date
and time and telephone number where each Director will be
called and the participation therein by a quorum of the
Board, or upon the unanimous participation in such meeting
instituted by the Chairman. Such 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
Chairman to be used for telephonic meetings.
Section 15. Compensation of Directors. No director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by vote of the unit owners.

ARTICLE V
OFFICERS

Section 1. Designation. The principal officers of the Association shall be a Chairman, a Secretary and a Treasurer, all 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. The Chairman shall be selected from the Board of Directors.

Section 2. Election of Officers. The officers of the Association may be elected by the Board of Directors at the organizational meeting of each new board or any board meeting thereafter, and shall hold office at the pleasure of the board.

Section 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.

Section 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, deem appropriate to assist in the conduct of the affairs of the Association. The Chairman shall be entitled to vote at Board of Director meetings.

Section 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.

Section 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.

Section 7. Directors as Officers. Any Director may be an officer of the Association.

ARTICLE VI

OBLIGATIONS OF THE OWNERS

Section 1. Assessments. All owners are obligated to pay monthly assessments imposed by the Association to meet all the project’s general common expenses, which may include premiums for insurance required or permitted under Article VII of these bylaws. All of the reserve funds set up pursuant to these bylaws shall be funded by allocation and payment from the monthly assessment of unit owners. The assessment of all unit owners who may be benefited by expenditure of reserve funds may be increased as necessary, so the reserve fund in question can be maintained in an amount sufficient to meet the needs for which such fund was established.

Assessments will be made monthly against unit owners. All such assessments shall be paid within 30 days of the date of assessment unless a different time period is set by the Board of Directors.

The initial assessment of owners of units in Stage I (and the initial assessment of owners of units in Stage II and/or III if they are developed simultaneously with Stage I) shall be determined by the declarant, and each purchaser/owner shall execute a consent to such initial assessment at the time of closing. The initial assessment shall thereafter be subject to review by the Board of Directors, and shall be set by declarant after recommendation from the Board.

If and at the times the Declaration is amended to add Stage II and III to the condominium, the unit owners of such stage shall commence paying a monthly assessment proportional (on the basis of common element ownership) to that paid by owners for units already a part of the condominium, and in accordance with the statutes of the State of Oregon. A pro-rated assessment shall be paid for the first month after the addition of the stage to which the unit belongs. Such (cont. on p. 11)
assessments shall include payments on leases of real and personal property, if any, monthly payments to a reserve fund for replacements, a general operating reserve and any other reserve set up pursuant to paragraph (c) of this Section.

(a) The Association shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount determined by the Directors. The reserve fund is for the purpose of effecting replacements of structural elements, mechanical equipment and other general common elements of the condominium. Payment into this fund shall be deemed a contribution to capital improvement as and when made. The payment required to be made to this fund may be increased from time to time by action of owners holding a majority of votes.

(b) The Association shall establish and maintain a General Operating Reserve by allocation and payment thereon monthly of a sum equivalent to not less than five percent (5%) of the monthly assessments chargeable to the family unit owners in the condominium for the general common expenses, pursuant to the bylaws. Upon accrual in said General Operating Reserve Account of an amount equal to fifteen percent (15%) of the current annual amount of assessments chargeable to the family unit owners in the condominium pursuant to these bylaws, the rate of such monthly allocations may be reduced from five percent (5%) to 2-1/2 percent by appropriate action of the Association, provided, however, that in the event withdrawals from such account reduce it below said fifteen percent (15%) accrual, the rate of such monthly deposits shall immediately be restored to five percent (5%); at any time thereafter upon accrual in said General Operating Reserve Account of an amount equal to 25 percent of the current annual amount of assessments chargeable to unit owners in the condominium for the general common expenses pursuant to the bylaws, such monthly deposits may be discontinued by appropriate action of the Association; and no further deposits need be made into such General Operating Reserve so long as said 25 percent level is maintained and provided further that upon reduction of such reserve below said 25 percent level, monthly deposits shall forthwith be made at the 2-1/2 percent rate until

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the 25 percent level is restored. This reserve is
intended to provide for repairs and maintenance in
periods of special stress. Funds paid to this
reserve shall be deemed payment for expenses
incurred in the operation of the condominium and
the Association as and when paid.

(c) The Directors may set up such other special
reserve funds by special assessments of the unit
owners who benefit thereby as may be required by
the Declaration or otherwise determined by the
Association of Unit Owners to be appropriate.

Each reserve fund shall be kept and accounted for in a
separate fund with a safe and responsible depository and, if
invested, the obligation or security shall be fully guaran-
teed as to principal by the United States of America or one
of its agencies. No unit owner shall have any individual
rights in any of these reserves, although it is understood
that the value of their respective units increases in propor-
tion to each unit's right to receive repair, maintenance and
replacement therefrom. The Association, however, cannot
accumulate and hold any income derived from said reserves
and must distribute any investment income received to the
unit owners, in the same proportion as the reserves were
created, on or before December 31 of each year. The alloca-
tion to reserve accounts of assessments of unit owners in
Stages II and III shall be made in the same manner as the
assemblies of unit owners in Stage I. Owners of units in
Stages II and III after the addition of such stages shall
share in the benefit of such reserve funds in the same manner
as though all units were submitted to the Oregon Unit Owner-
ship Law simultaneously. However, such owners of units in
subsequent stages shall not be required to pay additional
assessment because of such sharing of benefit.

Section 2. Additional Assessment for Multiple Occupancy.
The common elements of the condominium which are unrestricted
in use, are for the benefit of and may be used and enjoyed
by all occupants of each unit regardless of their number.
However, because of the disproportionate wear and tear and
demand for use of the common elements attributable to units
with multiple occupants, additional monthly assessments
will be made to unit owners with more than two "occupants."
Any person who intends or for whom it is intended to make
a unit his principal residence and any guest whose visit
in the unit exceeds 30 days during a calendar year shall
be deemed an occupant for purposes of this subsection. The
additional monthly assessment shall be $5.00 for the third
person, $15.00 for the fourth and $25.00 for each additional
person over four. The additional assessments shall be pro-
rated for each additional occupant who does not reside in
the unit during the entire month.

Section 3. Reimbursement to Declarant.

The Declarant shall have the right to charge any buyer of a unit at the time of closing for any amounts Declarant has paid into reserve accounts under this agreement.

Section 4. Default.

Failure by an owner to pay any assessment of the Association shall be a default by such owner of his obligations pursuant to these Bylaws and the Oregon Unit Ownership Law. The Association shall be entitled to a lien which may be enforced upon compliance with the provisions of ORS 91.580. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting owner for the use of his unit or shall be entitled to the appointment of a receiver pursuant to ORS 91.585. Any default by the owner in any provisions of these Bylaws or of the Oregon Unit Ownership law shall be deemed to be a default by the owner of any mortgage to which the owner is a party or to which the family unit is subject.
Section 5. Maintenance and Repair.

(a) Every owner must perform promptly all maintenance and repair work within his own unit, which if omitted would affect the common elements of the project or a part thereof belonging to other owners, and shall be responsible for the damages and liabilities that his failure to do so may cause.

(b) All repairs of internal installations of each unit, such as water, lights, gas, power, sewage, telephones, air conditioners and sanitary installations, doors, windows, lamps and all other accessories belonging to the unit area shall be at the sole expense of the owner of such unit.

(c) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and/or facility damaged through his fault, not otherwise covered by insurance policies carried by the Association for the owner's and Association's benefit.

Section 6. Use of Family Units - Internal Changes.

(a) All living units shall be used for residential purposes only, private or commercial, and all common elements shall be used in a manner conducive to such purposes. However, the Board of Directors shall have the right to expand any common area functions to include any compatible income producing activity.

(b) 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.

Section 7. Use of the Common Elements. An owner shall not place or cause to be placed in the lobbies, patios, decks, ramps, vestibules, stairways and other project areas and facilities of a similar nature, any furniture, packages or objects of any kind, except that suitable furniture may
be placed on the decks and patios. Such areas shall be used for no purpose other than what is normal.

Section 8. Right of Entry.

(a) In case of an emergency originating in or threatening his unit, an owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association, whether the owner is present at the time or not.

(b) An easement is reserved to the Association in and through any unit and the common elements providing access at reasonable times and with reasonable notice for purposes of maintenance, repair and replacement of the common elements. If, in the process of such repair and maintenance by the Association, it is necessary to alter or damage any unit or common elements, such alterations or damages will be permitted without compensation, provided the unit and/or common elements are promptly restored to substantially their prior condition by the Association.

(c) If any portion of the common elements encroaches upon a family unit, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall be and does exist. In the event the structures are partially or totally destroyed, and then rebuilt, the owners of the family units agree that minor encroachment of parts of the common elements due to such rebuilding shall be allowed and an easement shall exist for such purpose.

(d) Upon request and at reasonable times, any unit owner shall be permitted to enter and travel through areas otherwise restricted to the use of another unit owner for the purpose of maintaining or moving large objects into the area restricted in use to the unit owner making such request. The request shall be made to the unit owner whose private area will be entered. Any unreasonable refusal shall be brought to the immediate attention of the Board of Directors.

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

(b) Residents shall exercise extreme care about creating disturbances, making noises, or using musical instruments, radios, television and amplifiers that may disturb other residents. Those keeping domestic animals will abide by the Municipal Sanitary Regulations, and rules or regulations of the Association created by the Board of Directors. (As noted later most domestic animals are prohibited).

(c) It is prohibited to hang garments, rugs and similar items from the windows or from any of the facades, decks, or terraces of the project.

(d) It is prohibited to hang or shake dust rugs, mops and similar items from the windows or porches or terraces, or to clean such items by beating on an exterior part of the project.

(e) It is prohibited to throw garbage or trash next to the disposal installations provided for such purposes in the service areas. All such garbage and trash shall be placed inside disposal containers.

(f) No owner, resident or lessee shall install, using for electrical or telephone installations, television antennas, machines or air conditioning units or similar devices on the exterior of the project or cause them to 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 the prior consent of the Board of Directors.

(g) No exterior antennas shall be allowed except those installed by the Association.

(h) Curtains and drapes shall be generally white or lined with white, or as the Board approves, to create an aesthetic and harmonious outer appearance of the condominium buildings.

(i) The parking spaces designated as general common elements in the Declaration are intended for use (cont. on Page 17)

(i-1) The Declarant shall be allowed to maintain a sales office in the Community Center or in any unsold condominium unit, at their option until December 31, 1982, or until all units in all stages of the condominium development are sold, whichever occurs first.

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of automobiles of owners and guests. The Directors may make such rules necessary to govern the use of any general or limited common element parking areas by which all owners and other users shall be bound.

(j) Vehicular traffic on the streets and drives within the project shall 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.

(k) The recreational building and facilities and common 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 for use, and the conditions attendant thereto. Compliance with such rules as determined by the Board of Directors is essential to the harmonious operation of the facilities.

(l) 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 project as a whole and the owners of units therein.

Failure by an owner (his family, invitees or lessees) to comply with the rules of conduct and restrictions set forth herein or others promulgated by the Board of Directors, will be cause for which the Board of Directors may deny or restrict such owner’s right to use any common element facility with respect to which such owner otherwise had a right of use.

ARTICLE VII
INSURANCE

The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in the amounts hereinafter 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 which insurance shall be governed by the provisions in this numbered section.

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Section 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:

(a) A policy or policies of fire insurance with the extended coverage endorsement, for the full insurable replacement value, if available, of all units and common areas, 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 said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees, of each condominium, if any.

(b) A policy or policies insuring the Association, its Board of Directors, the unit owners individually and the manager against any liability to the public or the owners of units and their invitees or tenants, incident to the ownership, supervision, control or use of the project. Limits of liability under such insurance shall be not less than $300,000.00 for bodily injuries nor less than $100,000.00 for property damage in each occurrence. Such limits and coverage shall be reviewed at least annually by the Board of Directors which may increase the limits of and/or coverage, in its discretion. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsements wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured.

(c) Workmen's compensation insurance to the extent necessary to comply with any applicable laws.

(d) A fidelity bond naming such persons as may be designated by the Board of Directors as principals and the Association and the owners as obligors, for the amount determined by the Board of Directors. Provided, however, the Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds obtain adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.
Section 2. Insurance Companies Authorized. All policies shall be written by a company licensed to do business in Oregon and holding a "Commissioner's rating" of "Aa" and a size rating of "AAA," or better, by Best's Insurance Reports, or as may be otherwise acceptable to all mortgagees and directors.

Section 3. Authority to Adjust Losses. All losses under policies hereafter in force regarding the property shall be settled exclusively with the Board of Directors or its authorized representative; provided, however, that where a first mortgagee has been designated as a loss payer by a unit owner, such mortgagor shall be entitled to settle losses as to the mortgaged unit, provided that the loss which occurs is severable. Releases and proofs of loss shall be executed by at least two directors.

Section 4. Prohibition of Contribution. In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by the Association, individual owners or their mortgagees.

Section 5. Value of Owner Improvements. Each owner must inform the Board of Directors of the value of improvements made to his unit in excess of One Thousand Dollars ($1000.00) so that the Board of Directors may make any desired adjustments in insurance coverage. Nothing in this paragraph shall permit an owner to make improvements without first obtaining the approval of the Board of Directors pursuant to Article VI, Section 3(b).

Section 6. Provisions in Insurance Policies. The Board of Directors shall make every effort to secure insurance policies that will provide for the following:

(a) A waiver of subrogation by the insurer as to any claims against the Board of Directors, the manager, the unit owners and their respective servants, agents and guests.

(b) A provision that the master policy on the project cannot be cancelled, invalidated or suspended on account of the conduct of any one or more individual owners.

(c) A provision that the master policy on the project cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors or the manager without
prior demand in writing that the Board of Directors or manager cure the defect.

(d) A provision that any "no other insurance" clause in the master policy exclude individual owners' policies from consideration.

(e) A provision that the insurer issue subpolicies specifying the portion of the master policy earmarked for each owner's interest and that until the insurer furnishes written notice and a grace period 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.

(f) A rider on the master policy in the nature of "Use and Occupancy" insurance which will provide relief from monthly assessments while a unit is uninhabitable by the payment of the condominium expenses thereof and any other fixed costs, including, but without being limited to, taxes, rent, insurance, and mortgage payments.

Section 7. Review of Insurance Policies. At least annually, the Board of Directors shall review all insurance carried by the Association of Unit Owners, which review shall include an appraisal of all improvements made to the project by a representative of the insurance carrier writing the master policy.

ARTICLE VIII

DAMAGE AND DESTRUCTION

Section 1. Insurance Proceeds Sufficient to Cover Loss. In case of fire, casualty or any other damage and destruction, the insurance proceeds of the master policy, if sufficient to reconstruct the building damaged or destroyed, shall be applied to such reconstruction. Reconstruction of the damaged or destroyed buildings, as used in this paragraph, means restoring the buildings to substantially the same condition in which they existed prior to the fire, casualty or disaster, with each unit and the common area having the
same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished under the direction of the manager or the Board of Directors.

Section 2. Insurance Proceeds Insufficient to Cover Loss.
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 buildings for that purpose and all the unit owners shall be liable for assessment for any deficiency for such reconstruction, such deficiency to take into consideration as the owner's contribution any individual policy insurance proceeds provided by such owner. Provided, however, if three-fourths or more in value of all the buildings are destroyed or substantially damaged and if the owners holding at least three-fourths interest in the common elements do not, voluntarily, within sixty (60) days after such destruction or damage, make provision for reconstruction, the manager or Board of Directors shall record with the County Recorder a notice setting forth such facts, and upon the recording of such notice:

(a) The project shall be deemed to be owned in common by the owners.

(b) The undivided interest in the project owned in common which shall appertain to each owner shall be the percentage of undivided interest previously owned by such owner in the general common areas.

(c) Any liens affecting any of the condominiums shall be deemed to be transferred in accordance with the existing priorities to the undivided interests of the owners in the project.

(d) The project shall be subject to an action for partition at the suit of any owner. If a decree of partition orders the sale of the project, the net proceeds of sale, together with the net proceeds of the policies of insurance on the project, if any, shall be considered as one fund and shall be divided among all of the owners in proportion to their respective undivided interests, after first paying, out of the respective shares of the owners, in the extent such share is sufficient for the purpose, all liens on the undivided interest in the project owned by each owner.

Section 3. Architectural Changes After Damage or Destruction.
Notwithstanding all other provisions hereof, the owners may,
by an affirmative vote of sufficient owners to amend these
Bylaws, cause an amendment to be made to the project documents
so as to facilitate architectural changes that the owners affected
thereby and the Association deem desirable if, and only if, the
partial or total destruction of the project, or any building thereof,
by fire, casualty or any other disaster is so great as to require
the substantial reconstruction of the whole of the project, or said
buildings. Any such amendment of such project documents shall be
valid only upon (1) the recording thereof with the recording officer
of Yavapai 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. Any amendments to these
Bylaws must be processed through the Real Estate Division Dept. of
Commerce State of Oregon.

ARTICLE IX
CONDEMNATION

The Board of Directors shall have the sole authority to negotiate
with any public or private body or person having the power of
demolition or to sue or defend in any litigation involving
such bodies or persons with respect to the common elements of the
condominium and shall assist any unit owner whose unit or a part
thereof is the subject of any condemnation or eminent domain proceed-
ing. Provided, however, nothing in this or any other document or
agreement relating to the condominium shall be construed to give
a unit owner or any other party priority over the rights of the
first mortgagees of any condominium units in the case of a dis-
tribution to the unit owner of any such condemnation awards for
losses to or a taking of a unit and/or any common elements.

ARTICLE X
AMENDMENTS TO BYLAWS

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.

ARTICLE XI
COVENANTS WITH CITY OF RESIDENT

The association shall maintain the common areas and elements

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of the condominium (including open spaces, recreational facilities and accessways) in the manner necessary to meet the standards lawfully required by the City of Newberg under the authority of its ordinances, including but not limited to, ordinances relating specifically to the condominium property. Unit owners shall be assessed sufficient amounts to assure that the maintenance of common areas and elements conforms to such standards. The foregoing maintenance requirements shall continue as an obligation upon the property and the owners thereof, notwithstanding dissolution of the association or withdrawing of the property from unit ownership.

In the event the association is dissolved or for any other reason ceases to maintain the common areas and elements (including open spaces recreational facilities and accessways), the City of Newberg may perform any maintenance work it reasonably deems necessary and may impose a lien upon the units, and common elements appertaining thereto, for the reasonable value of said work. Any such lien may be enforced and foreclosed in the manner provided in ORS 223.505 to 223.650.

ARTICLE XII

MORTGAGEES

Section 1. Notice to Association. An owner who mortgages his unit shall notify the Association through the Management Agent, if any, or the Chairman of the Board of Directors in the event there is no Management Agent, of the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Units."

Section 2. Definition of Mortgagee. Mortgages as used in these bylaws shall include the beneficiary of a trust deed or a contract seller.

Section 3. Notice of Change in Documents or Manager. The Association of unit owners shall give the mortgagees written notice thirty (30) days prior to the effective date of (i) any change in the condominium documents and (ii) any change of manager (not including change in employees of corporate manager) of the condominium project.
Section 4. Notice of Default by Mortgagor. The Association of Unit Owners shall give the mortgagees written notification of any default by their mortgagor in the performance of such mortgagor's obligations pursuant to the condominium documents or the Oregon Unit Ownership Law, which is not cured within thirty (30) days.

Section 5. Mortgagee Exempt from Certain Restrictions. Any mortgagee who comes into possession of a mortgaged unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal" or other restriction on the sale or rental of the mortgaged unit, including but not limited to, restrictions on the age of unit occupants and restrictions on the posting of signs pertaining to the sale or rental of the unit.

Section 6. Discharge of Lien Upon Foreclosure. Any holder of the mortgage which comes into possession of the unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units, including the mortgaged unit).

Section 7. Written Consent of Mortgagee Required in Certain Cases. Unless all holders of first mortgage liens on individual units have given their prior written approval, the Association of Unit Owners of the condominium shall not:

(a) Fail to employ a professional manager for the condominium project; any agreement for professional management of the condominium project shall provide that the management contract may be terminated for cause after ninety (90) days' written notice and the term of any such contract shall not exceed three years;

(b) Change the pro rata interest or obligations of any condominium unit for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (1) determining the pro rata share of ownership of each unit in appurtenant real estate and any improvements thereon which are owned by the unit owners in the condominium project in undivided pro rata interests ("common elements");

(c) Partition or subdivide any unit or the common elements of the project; nor
(d) By act or omission seek to abandon the condominium status of the project except as provided by statutes in case of substantial loss to the units and common elements of the condominium project.

(e) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer, the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause;

(f) Use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or common elements of the condominium project.

Section 8. Proxy Held by Mortgagee in Certain Cases. The first mortgagees may attend a meeting of the Association of Unit Owners with the proxy of the mortgagee of said unit for the purpose of voting to paint or otherwise maintain the common elements. Provided, however, such right shall arise only in the event the mortgagee reasonably believes that the Association of Unit Owners has failed to maintain the common elements in sufficient manner to prevent excessive wear and tear.

Section 9. Right to Examine Books and Records. All first mortgagees shall have the right to examine the books and records of the Condominium Owners Association or the condominium project upon reasonable notice and at reasonable times.

Section 10. Notice in Event of Loss or a Taking. The Condominium Owners Association shall give all first mortgagees written notice of any loss to, or taking of, the common elements of the condominium project if such loss or taking exceeds $10,000.00.

ARTICLE XIII

COMPLIANCE

These bylaws are intended to comply with the provisions of the Oregon Unit Ownership Law, which are incorporated herein. In case any of the provisions hereof conflict with the provisions of said statutes, the statutory provisions shall apply.
ARTICLE XIV

REstrictions and RIGHT OF Repurchase

No children under the age of eighteen years may be in residence in the development. No person nor group of persons may become or remain a unit owner or unit owners in the development unless such person or one of such group is at least forty-five years of age. If such ownership should occur, the Association has ninety days from the date of such occurrence to purchase such unit at its then fair market value. If the Association does not exercise the right hereinabove provided, such failure shall not constitute a waiver of this provision or the right to exercise its right of repurchase as hereinabove provided in the future.

ARTICLE XV

RESTRICTIONS

No animals except small fish and small caged fowl shall be permitted upon the Properties or any part thereof.

No trucks, campers, trailers or boats shall be parked or permitted to remain in the Properties unless inside the Owner's carport or in such specific parking area as may be assigned by the Association to a particular recreational vehicle.

The use of tobacco, intoxicating liquor or hallucinatory drugs is discouraged.

Spaulding Oaks is designed as a community to welcome those of the Christian faith, designed to provide privileges of fellowship with others of like faith.

No one is excluded from this development on the basis of race, creed, or color.
ARTICLE XVI

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

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 threatened, pending or completed action, suit or proceeding, whether 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 amount paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he reasonably 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 proved at a later time that said person had no right to such payments. 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.

ARTICLE XVII

SUITS AND ACTIONS

In the event suit or action is commenced by the Directors for the collection of any amount due pursuant to these bylaws or for the enforcement of any provisions of the 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 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 in the appellate court to be fixed by such court.
It is hereby certified that these bylaws have been adopted by the George Fox College Foundation, Declarant of SPAULDING OAKS CONDOMINIUM and will be recorded in the Deed Records of Yamhill County, together with the Declaration of Unit Ownership for said condominium, after said Declaration and bylaws are approved by the Assessor of said county.

Dated this ___ day of ___ , 1977.

Milo C. Ross
Executive Director
George Fox College Foundation

STATE OF OREGON )
County of Yamhill ) ss.

Personally appeared the above-named MILO C. ROSS, who being duly sworn, did say that he is the Executive Director of the George Fox College Foundation, an Oregon corporation, and that the foregoing instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and they acknowledged said instrument to be its voluntary act and deed.

BEFORE ME: 
NOTARY PUBLIC FOR OREGON
My commission expires: Oct 15, 1977

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State of Oregon

Department of Commerce
Real Estate Division

APPROVAL OF SUPPLEMENTAL DECLARATION

THE UNDERSIGNED, pursuant to ORS 91.518, as Real Estate Commissioner of the State of Oregon, hereby approves the Supplemental Declaration of Unit Ownership for

SPALDING OAKS, STAGE II

In Yamhill County, Oregon.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed hereto the seal of the Real Estate Division of the Department of Commerce of the State of Oregon this

14th day of June, 1976.

GORDON W. BURBEE
Real Estate Commissioner

BY
CERTIFICATE OF SUBSTANTIAL COMPLETION

Project: Spaulding Oaks, Newberg, Oregon
Phase II

To: George Fox College Foundation
Newberg, Oregon

Date of Issuance: May 16, 1978

This is to certify that the plans fully and accurately depict the boundaries of the units and floors of the buildings, and the construction of the building improvements depicted on the floor plans and plat was completed on May 16, 1978 with the following exceptions:

1. Exterior brick
2. Exterior staining
3. Exterior landscaping
4. Interior cabinets Units 24 and 25
5. Interior carpets.

Donald H. Lindgren, A.I.M., Architect

Subscribed and sworn to before me this ___ day of May, 1978
Notary Public:

My Commission expires: July 16, 1984

State of Oregon
County of Yamhill

In subscribing witness, I have heretofore subscribed my hand and affixed my Official Seal.

Wanda Cott, County Clerk
SUPPLEMENTAL DECLARATION SUBMITTING STAGE II OF
SPAULDING OAKS CONDOMINIUM
TO OREGON UNIT OWNERSHIP LAW

THIS DECLARATION, pursuant to the provisions of the Oregon Unit Ownership Law, is made and executed this ___ day of May, 1978 by GEORGE FOX COLLEGE FOUNDATION, an Oregon corporation, hereinafter called "the Declarant."

By document dated August 9, 1977, entitled Declaration of Unit Ownership for Spaulding Oaks Condominium, an Oregon condominium, to Oregon Unit Ownership Law, Declarant created a condominium known as "Spaulding Oaks" within the City of Newberg, Yamhill County, Oregon.

The purpose of this supplemental declaration is to submit Declarant's ownership interest in Stage II of Spaulding Oaks to the condominium form of ownership and use in the manner provided by the Oregon Unit Ownership Law, and to annex such stage to Spaulding Oaks.

NOW, THEREFORE, Declarant does hereby declare and provide as follows:

1. DEFINITIONS: When used herein the following terms shall have the following meanings:

1.1 "Declaration of Unit Ownership for Spaulding Oaks" shall mean that certain document dated ______________, 197_.

1.2 Incorporation by Reference. Each of the terms defined in Section 1 of Declaration Submitting Stage I of Spaulding Oaks to Oregon Unit Ownership Law, shall have the meanings set
forth in such Section 1, including those definitions incorporated therein by reference.

2. PROPERTY SUBMITTED. The property submitted to the Oregon Unit Ownership Law hereunder is held by the Declarant and conveyed under the provisions of the unit ownership. Upon the filing of this declaration, each unit owner will be entitled to see title ownership of that owner's unit within the Spaulding Oaks condominium as provided in the Declaration. The land submitted hereunder, being Stage 2 of Spaulding Oaks, is located in the City of Newberg, Yamhill County, Oregon, and is more particularly described in Exhibit A attached hereto. Such property includes the land so described, all buildings, improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all personal property used in connection therewith.

3. NAME. The name by which the property submitted hereunder shall be known is "Spaulding Oaks."

4. UNITS.

4.0 Unit Description. Other than in common, the owners of the respective units shall not be deemed to own the undecorated and/or unfurnished surfaces of the perimeter walls, floors and ceiling surrounding their respective units, nor shall said owners be deemed to own pipes, wires, conduits or other public utility lines running through said respective units which are utilized for, or serve more than one unit, except as tenants in common with other unit owners. Said owners, however, shall be deemed to own the interior walls and partitions which are contained within said owner’s respective unit,
and also shall be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floors and ceiling, including paint, wallpaper, and/or other type decorations.

In interpreting deeds, mortgages, deeds of trust and other instruments, for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the unit or of a unit reconstructed in substantial accordance with the original plans hereof shall be conclusively presumed to be the boundaries regardless of settling, rising or lateral movement of the building and regardless of variances between boundaries as shown on the plat and those of the actual building or buildings.

4.1 General Description of Buildings. Stage II of Spaulding Oaks consists of 6 buildings containing 17 units and a community center. Each building is of wood frame construction without basement and has concrete foundations, and concrete tile roofing.

4.2 General Description, Location and Designation of Units. Stage II consists of a total of 17 units and a community center. The dimensions, designation and location of each unit in Stage II are shown in the plat or site plan and floor plans filed simultaneously with the filing of this declaration of Stage II of this condominium project.

The approximate area of each unit is shown on Exhibit D, attached hereto and made a part hereof.

4.3 Boundaries of Units. Each unit shall be bounded by the interior surfaces of its perimeter and bearing walls, floors, ceilings, windows and window frames, doors and door frames, and trim, and shall include both the interior surfaces so described and the air space so
encompassed. In addition, each unit shall include water, sewerage,
or electricity, and ventilating ducts, within the unit, but shall
not include any part of such lines or ducts themselves.

5. **GENERAL COMMON ELEMENTS.** Each unit will be entitled to a
percentage ownership interest in the general common elements as set
forth in Exhibit D attached hereto and shall be liable for the gen-
eral common expenses in the same proportion.

The general common elements

consist of the following:

5.1 The land, pathways, community building (recreation
building), driveways, fences, grounds, parking areas, except carport
structures, which are limited common elements by Section 6 below.

5.2 Pipes, ducts, flues, chutes, conduits, wires and other
utility installations to their outlets.

5.3 Roofs, foundations, bearing walls, perimeter walls,
beams, columns and girders to the interior surfaces thereof.

5.4 Outside stairs, entrances and exits, and the exterior
surfaces of decks.

5.5 All other elements of the buildings and the property
necessary or convenient to their existence, maintenance and safety,
or normally in common use, except as may be expressly designated
herein as part of a unit or a limited common element.

5.6 Rules and Regulations promulgated by the Association.

No person shall use the common elements or any part thereof in any
manner contrary to or not in accordance with such rules and regula-
tions pertaining thereto, as from time to time may be promulgated by
the Association. Without in any manner intending to limit the generality of the foregoing, the Association shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the common elements to the members of the Association and their respective families, guests, invitees and servants. Such use may be conditioned upon, among other things, the payment by the unit owner of such assessments as may be established by the Association for the purpose of defraying the cost thereof.

5.7 Maintenance and Repair. Maintenance and repair of the common elements shall be the responsibility of the Association, except for the patios, porches, fences and yards restricted in use to a single unit owner. Nothing herein contained, however, shall be construed so as to preclude the Association from delegating to persons, firms or corporations of its choice, such duties as may be imposed by the Association. Common expenses resulting from the aforesaid maintenance and repair, except those portions restricted in use to a single unit, shall be borne on the periodic basis as determined by the Association in the same percentage which each unit has on interest in the common elements. The Association of Unit Owners, through its officers, shall notify any unit owner who fails to maintain common elements, the use of which is restricted to such unit owner. The notice shall be in writing and shall describe the maintenance required to be carried out. If such unit owner fails to perform such required maintenance or arrange with the Association's officers for a reasonable extension of time, the maintenance shall be performed by the Association, and the unit owner shall be assessed for
the cost incurred by the Association. All assessments made by the Association pursuant to this Declaration or the Bylaws shall constitute a lien on the unit of the owner so assessed which may be recorded and foreclosed as provided in ORS 91.546.

5.8 Income from Common Elements. All income derived from any coin-operated vending machines and/or any other income derived from the common elements shall be divided among the unit owners in the same proportions as their percentage interest in the common elements. The Board of Directors may, in its discretion, disburse such income directly to the unit owners or use the funds to help meet the expense of maintaining the common elements.

5.9 Reservation of Use by Declarant During Construction and Prior to Sale of All Units. During the course of construction for all stages of the condominium, the Declarant shall have an easement to traverse and store materials upon the common elements as may reasonably be necessary for the purpose of completing construction and landscaping of the condominium project or any part thereof. Until units in all stages are sold or until December 31, 1982, whichever is earlier, the Declarant shall have the right to maintain a sales office in the recreation building (Com. Bldg.), or in one of the condominium units at his discretion.

6. LIMITED COMMON ELEMENTS. The following shall constitute limited common elements, the use of which shall be restricted to the units to which they pertain:

6.1 The carports and the air spaces encompassed thereby, and the storage within carports, which shall pertain to the unit whose
number they bear, as shown on the plat. Carports 20 through 36 are
designated for units in Stage 2.

7. **USE OF PROPERTY.** Each unit is to be used as a single family
dwelling. Additional limitations on use are contained in the Decla-
ration of Unit Ownership for Spaulding Oaks, and the Bylaws of the
Association of Unit Owners of Spaulding Oaks filed previously. Each
unit owner shall be bound by each of the terms, conditions, limita-
tions and provisions contained in such documents, including the
requirement to pay monthly payments as set forth in those documents.

8. **COMMON PROFITS AND EXPENSES; VOTING**

8.1 The common profits derived from and the common expenses of
the general common elements shall be distributed and charged to the
owner of each unit according to the percentage of undivided interest
of such unit in the general common elements.

8.2 Class A. Class A members shall be all owners, with the
exception of Declarant, and shall be entitled to one (1) vote for
each unit owned notwithstanding the provisions of ORS 91.500 (15).
When more than one (1) person holds an interest in any unit all such persons shall be members. The vote for such unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any unit. Fractional votes shall not be allowed. The vote applicable to any said unit being sold under contract of purchase shall be exercised by the contract seller, unless the contract expressly provides otherwise.

Class B. Class B members shall be the Declarant and shall be entitled to five (5) vote for each unit owned, provided that existing Class B votes shall be converted to Class A votes upon the happening of either of the following events, whichever comes first:

1. On a date five (5) years from the date of the filing of the Declaration and Bylaws on Spaulding Oaks Condominium with Yamhill Co.

2. When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; provided that, if Declarant subjects additional property to the jurisdiction of the Association by recorded covenants in the manner provided herein, it shall be entitled to Class B votes for such additional property as indicated above. "Majority" or "majority of unit owners" as used in this declaration or in the bylaws shall mean the owners of 50 percent or more of the then existing units of the condominium.

9. SERVICE OF PROCESS. The name of the person to receive service of process in cases provided in subsection (1) of ORS 91.578 is MILO C. ROSS and his place of business within Yamhill County, Oregon, is 207 North Meridian, Newberg, Oregon, 97132.

10. ENCORCHMENTS. If any portion of the common elements now encroaches upon any unit, or if any unit now encroaches upon any
other unit or upon any portion of the common elements, as a result of the construction of any building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any building, a valid easement for the encroachment and for the maintenance of the same so long as the building stands, shall exist. In the event any building, unit, adjoining unit, or adjoining common element, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the common elements upon any unit or of any unit upon any other unit or upon any portion of the common elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the building shall stand.

11. APPROVAL BY MORTGAGERS. In addition to any other approvals required by the Oregon Unit Ownership Law, this declaration or the bylaws of the association of unit owners, the prior written approval of all holders of first mortgages or beneficiaries of first deeds of trust of units in the condominium must be obtained for the following:

11.1 The removal of the property from unit ownership, except when such removal is by operation of ORS 91.587 in the case of substantial loss to the units and common elements;

11.2 The partition or subdivision of any unit or of the common elements; or

11.3 A change in the percentage interests in the common elements of the unit owners.

12. ADOPTION OF BYLAWS, APPOINTMENT OF INTERIM BOARD AND DESIG-
NATION OF MANAGER. The owners of each unit in Stage 2 of Spaulding Oaks shall be a member of the Association of Unit Owners of Spaulding Oaks and subject to the bylaws of such association. The original bylaws of the association were filed of record, with the Declaration of Units Ownership for Spaulding Oaks. At the same time Declarant had the power to appoint an interim board of directors which board if so appointed shall serve until their successors have been elected as provided in the bylaws. An interim board of directors may appoint a manager or managing agent for the condominium on behalf of the association of unit owners, and such manager or managing agent shall have complete authority to assume full control and responsibility for the management, operation and maintenance of the condominium from the date of its formation at the expense of the association.

13. PLAN OF DEVELOPMENT. By filing this declaration, Declarant hereby submits Stage 2 to the condominium form of ownership and annexes the same to Spaulding Oaks. Declarant reserves the right to add one additional stage by filing supplements to the original declaration pursuant to ORS 91.518.

13.1 Maximum Number of Units. Stages 1 and 2 contain a total of thirty-six units, and a community center. Proposed Stage 3 would not contain more than twenty units each, for a total of not more than fifty-six units in the condominium.

13.2 Additional Stage. Stage 3 as set out in the Declaration of Unit Ownership for Spaulding Oaks may be added not later than August 1, 1983.

13.3 Additional Common Elements. Developer does not propose to include in Stage 3 any common elements which would substantially increase the proportionate amount of the common expenses payable by
owners of units in Stages 1 and 2.

13.4 **Percentage Interest in Common Elements.** The percentage interest in the common elements of units in Stages 1 and 2 will change if additional phases are annexed to the condominium. A chart showing the percentage interest in the common elements of each such unit upon the filing of this declaration and after the annexation of each proposed stage is attached hereto as Exhibit D.

14. **RIGHT OF ENTRY.** In case of an emergency originating in or threatening his unit, an owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association, whether the owner is present at the time or not.

An easement is reserved to the Association in and through any unit and the common elements providing access at reasonable times and with reasonable notice for purposes of maintenance, repair and replacement of the common elements. If, in the process of such repair and maintenance by the Association, it is necessary to alter or damage any unit or common elements, such alterations or damages will be permitted without compensation, provided the unit and/or common elements are promptly restored to substantially their prior condition by the Association.

If any portion of the common elements encroaches upon a family unit, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall be and does exist. In the event the structures are partially or totally destroyed, and then rebuilt, the owners of the family units agree that minor encroachment of parts of the common elements due to such rebuilding shall be al-
lowed and an easement shall exist for such purpose.

Upon request and at reasonable times, any unit owner shall be permitted to enter and travel through areas otherwise restricted to the use of another unit owner for the purpose of maintaining or moving large objects into the area restricted in use to the owner making such request. The request shall be made to the unit owner whose private area will be entered. Any unreasonable refusal shall be brought to the immediate attention of the Board of Directors.

15. USE OF PROPERTY.

15.1 Compliance with Laws, Ordinances and Regulations. Each unit is to be used as a single family dwelling. The common elements shall be used for the furnishings of services, facilities and for the enjoyment of the units. No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof, and all valid laws, zoning ordinances and regulations of the governing bodies having jurisdiction thereof shall be observed.

15.2 Additional Assessment for Multiple Occupancy. The common elements of the condominium which are unrestricted in use are for the benefit of and may be used and enjoyed by all occupants of each unit regardless of their number. However, because of the disproportionate wear and tear and demand for use of the common elements attributable to units with multiple occupants, additional monthly assessments will be made to unit owners with more than "two" occupants. Any person who intends or for whom it is intended to make a unit his principal residence and any guest whose visit in the unit exceeds 30 days during the calendar year shall be deemed an occupant
for purposes of this subsection. The additional monthly assessment shall be $5.00 for the third, $15.00 for the fourth, and $25.00 for each additional person over four. The additional assessments shall be pro-rated for each additional occupant who does not reside in the unit during the entire month.

16. ADOPTION OF BYLAWS.

16.1 Compliance with Bylaws and Other Restrictions. Each unit owner shall comply with the Bylaws and with the administrative rules and regulations adopted pursuant thereto and with the covenants, conditions and restrictions in this Declaration or in the deed to his unit. Failure to comply therewith shall be grounds for suit or action, maintainable by the Association of Unit Owners or by any unit owner, in addition to other sanctions which may be provided by the Bylaws or by any existing administrative rules and regulations.

16.2 Legal proceedings. Failure to comply with any of terms of the condominium documents and regulations adopted pursuant thereto, shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due, damages or a suit for injunctive relief, to foreclose a lien or any combination thereof. Relief may be sought by the Association or by the manager of the Association, or if appropriate, by an aggrieved unit owner.

16.3 Costs and Attorney's fees. In any proceeding arising because of alleged default by a unit owner, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorneys' fees as may be determined by the court for the trial or any appeal thereof.

16.4 Waiver of Rights. The failure of the Association or a unit owner to enforce any right, provision, covenant or condi-
tion which may be granted by a condominium document, shall not constitute a waiver of the right of the Association or unit owner to enforce such right, provision, covenant or condition in the future.

IN WITNESS WHEREOF, George Fox College Foundation has caused this declaration to be executed this day of 197.

GEORGE FOX COLLEGE FOUNDATION
an Oregon corporation

By Milo C. Ross
Executive Director

STATE OF OREGON )
County of Yamhill ) ss.

Personally appeared the above-named MILO C. ROSS, who being first duly sworn, did say that he is the Executive Director of the George Fox College Foundation, an Oregon corporation, and that the foregoing instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and they acknowledged said instrument to be its voluntary act and deed.

NOTARY PUBLIC FOR OREGON
My commission expires: 7/1/77
The foregoing Declaration is approved pursuant to ORS 91.512
this 26 day of June, 1978.

[Signature]
Yamhill County Assessor
EXHIBIT A

Beginning at the initial point, a 2" x 36" galvanized iron pipe driven 6" below the present surface of ground at a point which bears N 00°11'30" W 1613.39 feet and East 30.00 feet from the Southwest corner of section 17, T 3 S, R 2 W, W M., in Yamhill County, Oregon, said point lying in the East line of Meridian Street, 30 feet from the centerline of said street, and bearing N 00°11'30" W 208.87 feet from the intersection of the northerly right-of-way line of the Southern Pacific Railroad, and running thence N 55°42'50" E 91.30 feet to a point, thence North 82.00 feet to a point, thence East 90.00 feet to a point, thence S 33°03'20" E 197.04 feet to a point of said railroad, thence N. 56°56'40" E along said railroad right-of-way 186.92 feet to a point, thence North 248.07 feet to a point, thence West 132.17 feet to a point, thence N 60°45'20" W 21.74 feet to a point, thence South 127.50 feet to a point, thence West 203.00 feet to a point, South 80.00 feet to a point, thence West 75.85 feet to a point on said Meridian Street, thence S 00°11'30" E along said Meridian Street 121.43 feet to the point of beginning, containing 1.741 acres, more or less.

Stage II-Legal Description
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The typical floor plan of each type unit and the typical cross section of each condominium building is set out in Exhibit "B".
SUPPLEMENTAL DECLARATION SUBMITTING STAGE 3 OF
SPAULDING OAKS
TO OREGON UNIT OWNERSHIP LAW

THIS DECLARATION, pursuant to the provisions of the Oregon
Unit Ownership Law, is made and executed this _____ day of
December ___, 1978, by GEORGE FOX COLLEGE FOUNDATION, an Oregon
corporation, hereinafter called "the Declarant."

By document dated August 9 ___, 1977, entitled Declaration
of Unit Ownership for Spaulding Oaks Condominium, an Oregon condo-
minium, to Oregon Unit Ownership Law, Declarant created a condominium
known as "Spaulding Oaks" within the City of Newberg, Yamhill County,
Oregon. Stage 2 of Spaulding Oaks was submitted to the Oregon
Unit Ownership by a supplemental declaration recorded June 26
1978, in Film 130 of the Records of Deeds of Yamhill County,
Oregon, at page 985, as amended by instrument dated ________
19__, and recorded ____________, 19__, in Book ______,
page ______ of such Deed Records.

NOW, THEREFORE, Declarant does hereby declare and provide
as follows:

1. DEFINITIONS. When used herein the following terms shall
have the following meanings:

1.1. "Declaration of Unit Ownership for Spaulding Oaks"
shall mean that certain document dated August 9 ___, 1977,
recorded March 30 ___, 1978, in Film 127 of the Record of
Deeds of Yamhill County, Oregon at page 1813.

1.2. Incorporation by Reference. Each of the terms de-

fined in Section 1 of Declaration Submitting Stage 1 of Spaulding
Oaks to Oregon Unit Ownership Law, shall have the meanings set

PAGE 1 - SUPPLEMENTAL DECLARATION
forth in such Section 1, including those definitions incorporated therein by reference.

2.  **PROPERTY SUBMITTED.** The property submitted to the Oregon Unit Ownership Law hereunder is held by the Developer and conveyed under the provisions of the unit ownership. Upon the filing of this declaration, each unit owner will be entitled to fee title ownership of that owner's unit within the Spaulding Oaks condominium as provided in the Declaration. The land submitted hereunder, being Stage 3 of Spaulding Oaks, is located in the City of Newberg, Yamhill County, Oregon, and is more particularly described in Exhibit A-3 attached hereto. Such property includes the land so described, all buildings, improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all personal property used in connection therewith.

3.  **NAME.** The name by which the property submitted hereunder shall be known is "Spaulding Oaks."

4.  **UNITS.**

4.0 Unit Description. Other than in common, the owners of the respective units shall not be deemed to own the undecorated and/or unfurnished surfaces of the perimeter walls, floors and ceiling surrounding their respective units, nor shall said owners be deemed to own pipes, wires, conduits or other public utility lines running through said respective units which are utilized for, or serve more than one unit, except as tenants in common with other unit owners. Said owners, however, shall be deemed to own the interior walls and partitions which are contained within said owner's respective unit.
and also shall be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floors and ceiling, including paint, wallpaper, and/or other type decorations.

In interpreting deeds, mortgages, deeds of trust and other instruments, for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the unit or of a unit reconstructed in substantial accordance with the original plans hereof shall be conclusively presumed to be the boundaries regardless of settling, rising or lateral movement of the building and regardless of variances between boundaries as shown on the plat and those of the actual building or buildings.

4.1 General Description of Buildings. Stage 3 of Spaulding Oaks consists of three buildings containing twenty units. Each building is of wood frame construction without basement and has concrete foundations, and concrete tile roofing.

4.2 General Description, Location and Designation of Units. Stage 3 consists of a total of twenty units. The dimensions, designations and location of each unit in Stage 3 is shown in the floor plans filed simultaneously with the declaration of this project and made a part of this declaration, (hereinafter called "the plans"). The approximate area of each unit is shown on Exhibit D, attached hereto and made a part hereof.

4.3 Boundaries of Units. Each unit shall be bounded by the interior surfaces of its perimeter and bearing walls, floors, ceilings, windows and window frames, doors and door frames, and trim and shall include both the interior surfaces so described and the air space so
encompassed. In addition, each unit shall include water, sewerage, electricity, and ventilating ducts, within the unit, but shall not include any part of such lines or ducts themselves.

5. GENERAL COMMON ELEMENTS. Each unit will be entitled to a percentage ownership interest in the general common elements determined, as shown on Exhibit D attached hereon. The general common elements consist of the following:

5.1 The land, pathways, community building (recreation building located in Stage II), driveways, fences, grounds, parking areas, except carport structures, which are limited common elements by Section 6 below.

5.2 Pipes, ducts, chutes, conduits, wires and other utility installations to their outlets.

5.3 Roofs, foundations, bearing walls, perimeter walls, beams, columns and girders to the interior surfaces thereof.

5.4 Outside stairs, entrances and exits, and the exterior surfaces of decks.

5.5 All other elements of the buildings and the property necessary or convenient to their existence, maintenance and safety, or normally in the common use, except as may be expressly designated herein as part of a unit or a limited common element.

5.6 Rules and Regulations promulgated by the Association. No person shall use the common elements or any part thereof in any manner contrary to or not in accordance with such rules and regulations pertaining thereto, as from time to time may be promulgated by
the Association. Without in any manner intending to limit the generality of the foregoing, the Association shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the common elements to the members of the Association and their respective families, guests, invitees and servants. Such use may be conditioned upon, among other things, the payment by the unit owner of such assessments as may be established by the Association for the purpose of defraying the cost thereof.

5.7 Maintenance and Repair. Maintenance and repair of the common elements shall be the responsibility of the Association, except for the patios, porches, fences and yards restricted in use to a single unit owner. Nothing herein contained, however, shall be construed so as to preclude the Association from delegating to persons, firms or corporations of its choice, such duties as may be imposed by the Association. Common expenses resulting from the aforesaid maintenance and repair, except those portions restricted in use to a single unit, shall be borne on the periodic basis as determined by the Association in the same percentage which each unit has an interest in the common elements. The Association of Unit Owners, through its officers, shall notify any unit owner who fails to maintain common elements, the use of which is restricted to such unit owner. The notice shall be in writing and shall describe the maintenance required to be carried out. If such unit owner fails to perform such required maintenance or arrange with the Association's officers for a reasonable extension of time, the maintenance shall be performed by the Association, and the unit owner shall be assessed for
the cost incurred by the Association. All assessments made by the Association pursuant to this Declaration or the Bylaws shall constitute a lien on the unit of the owner so assessed which may be recorded and foreclosed as provided in ORS 91.546.

5.8 Income from Common Elements. All income derived from any coin-operated vending machines and/or any other income derived from the common elements shall be divided among the unit owners in the same proportions as their percentage interest in the common elements. The Board of Directors may, in its discretion, disburse such income directly to the unit owners or use the funds to help meet the expense of maintaining the common elements.

5.9 Reservation of Use by Declarant During Construction and Prior to Sale of All Units. During the course of construction for all stages of the condominium, the Declarant shall have an easement to traverse and store materials upon the common elements as may reasonably be necessary for the purpose of completing construction and landscaping of the condominium project or any part thereof. Until units in all stages are sold or until December 31, 1982, whichever is earlier, the Declarant shall have the right to maintain a sales office in the recreation building (Com. Bdg.), or in one of the condominium units at his discretion.

6. LIMITED COMMON ELEMENTS. The following shall constitute limited common elements, the use of which shall be restricted to the units to which they pertain:

6.1 The carports and the air spaces encompassed thereby, and the storage within carports, which shall pertain to the unit whose
number they bear, as shown on the plat. Carports 37 through 56 are designated for units in Stage 3. Carports 37 through 40 are located in an area designated in the Stage II Plat for Carports 37-40.

7. USE OF PROPERTY. Each unit is to be used as a single family dwelling. Additional limitations on use are contained in the Declaration of Unit Ownership for Spaulding Oaks, and the Bylaws of the Association of Unit Owners of Spaulding Oaks filed therewith. Each unit owner shall be bound by each of the terms, conditions, limitations and provisions contained in such documents, including the requirement to pay monthly payments as set forth in those documents.

8. COMMON PROFITS AND EXPENSES: VOTING

8.1 The common profits derived from and the common expenses of the general common elements shall be distributed and charged to the owner of each unit according to the percentage of undivided interest of such unit in the general common elements.

8.2 Class A. Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each unit owned notwithstanding the provisions of ORS 91.500 (15). When more than one (1) person holds an interest in any unit all such persons shall be members. The vote for such unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any unit. Fractional votes shall not be allowed. The vote applicable to any said unit being sold under contract of purchase shall be exercised by the contract seller, unless the contract expressly provides otherwise.

Class B. Class B members shall be the Declarant and shall be entitled to five (5) vote for each unit owned, provided that existing Class B votes shall be converted to Class A votes upon the happening

PAGE 7 - SUPPLEMENTAL DECLARATION
of either of the following events, whichever comes first:

1. On a date five (5) years from the date of the filing of the
   Declaration and Bylaws on Spaulding Oaks Condominium with Yamhill Co.

2. When the total votes outstanding in the Class A membership
   equal the total votes outstanding in the Class B membership; provided
   that, if Declarant subjects additional property to the jurisdiction
   of the Association by recorded covenants in the manner provided herein,
   it shall be entitled to Class B votes for such additional property as
   indicated above. "Majority" or "majority of unit owners" as used in
   this declaration or in the bylaws shall mean the owners of 50 percent
   or more of the then existing units of the condominium.

9. SERVICE OF PROCESS: The name of the person to receive service
   of process in cases provided in subsection (1) of ORS 91.578 in MILO
   C. ROSS and his place of business within Yamhill County, Oregon, is
   207 North Meridian, Newberg, Oregon, 97132.

10. ENROCnMENTS. If any portion of the common elements now
    encroaches upon any unit, or if any unit now encroaches upon any
    other unit or upon any portion of the common elements, as a result
    of the construction of any building, or if any such encroachment shall
    occur hereafter as a result of settling or shifting of any building,
    a valid easement for the encroachment and for the maintenance of the
    same so long as the building stands, shall exist. In the event any
    building, unit, adjoining unit, or adjoining common element, shall
    be partially or totally destroyed as a result of fire or other casualty
    or as a result of condemnation or eminent domain proceedings
    and then rebuilt, encroachments of parts of the common elements upon

PAGE 8 - SUPPLEMENTAL DECLARATION
any unit or of any unit upon any other unit or upon any portion of
the common elements, due to such rebuilding, shall be permitted, and
valid easements for such encroachments and the maintenance thereof
shall exist so long as the building shall stand.

11. APPROVAL BY MORTGAGEES. In addition to any other approvals
required by the Oregon Unit Ownership Law, this declaration or the
bylaws of the association of unit owners, the prior written approval
of all holders of first mortgages or beneficiaries of first deeds
of trust of units in the condominium must be obtained for the following:

11.1 The removal of the property from unit ownership, ex-
cept when such removal is by operation of ORS 91.587 in the case
of substantial loss to the units and common elements;

11.2 The partition or subdivision of any unit or of the
common elements; or

11.3 A change in the percentage interests in the common
elements of the unit owners.

12. ADOPTION OF BYLAWS, APPOINTMENT OF INTERIM BOARD AND DESIG-
NATION OF MANAGER. The owner of each unit in Stage 3 of Spaulding
Oaks shall be a member of the Association of Unit Owners of Spaulding
Oaks and subject to the bylaws of such association. The original by-
laws of the association were filed of record, with the Declaration of
Units Ownership for Spaulding Oaks. At that same time Declarant had
authority to appoint an interim board of directors which board if ap-
pointed shall serve until their successors have been elected as provided in
the bylaws. An interim board of directors may appoint a manager or managing
agent for the condominium on behalf of the association of unit owners, and
such manager or managing agent shall have complete authority to
assume full control and responsibility for the management, operation

PAGE 9 - SUPPLEMENTAL DECLARATION
and maintenance of the condominium from the date of its formation at the expense of the association.

13. PLAN OF DEVELOPMENT. By filing this declaration, Declarant hereby submits Stage 3 to the condominium form of ownership and annexes the same to Spaulding Oaks.

13.1 Maximum Number of Units. Stages 1 and 2 and also 3 contain a total of 56 units, and a community center.

13.2 Additional Common Elements. Developer does not propose to include in this stage any common elements which would substantially increase the proportionate amount of the common expenses payable by owners of units in Stages 1 and 2.

13.3 Percentage Interest in Common Elements. The percentage interest in the common elements of units in Stages 1, 2 and 3 will change if this stage is annexed to the condominium. A chart showing the percentage interest in the common elements of each such unit upon the filing of this declaration and upon final filing at the conclusion of this stage is attached hereto as Exhibit D.

14. RIGHT OF ENTRY. In case of an emergency originating in or threatening his unit, an owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association, whether the owner is present at the time or not.

An easement is reserved to the Association in and through any unit and the common elements providing access at reasonable times and with reasonable notice for purposes of maintenance, repair and replacement of the common elements. If, in the process of such repair and maintenance by the Association, it is necessary to alter or damage
any unit or common elements, such alterations or damages will be permitted without compensation, provided the unit and/or common elements are promptly restored to substantially their prior condition by the Association.

If any portion of the common elements encroaches upon a family unit, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall be and does exist. In the event the structures are partially or totally destroyed, and then rebuilt, the owners of the family units agree that minor encroachment of parts of the common elements due to such rebuilding shall be allowed and an easement shall exist for such purpose.

Upon request and at reasonable times, any unit owner shall be permitted to enter and travel through areas otherwise restricted to the use of another unit owner for the purpose of maintaining or moving large objects into the area restricted in use to the owner making such request. The request shall be made to the unit owner whose private area will be entered. Any unreasonable refusal shall be brought to the immediate attention of the Board of Directors.

15. USE OF PROPERTY

15.1 Compliance with Laws, Ordinances and Regulations. Each unit is to be used as a single family dwelling. The common elements shall be used for the furnishings of services, facilities and for the enjoyment of the units. No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof, and all valid laws, zoning ordinances and regulations of the governing
bodies having jurisdiction thereof shall be observed.

15.2 Additional Assessment for Multiple Occupancy. The common elements of the condominium which are unrestricted in use are for the benefit of and may be used and enjoyed by all occupants of each unit regardless of their number. However, because of the disproportionate wear and tear and demand for use of the common elements attributable to units with multiple occupants, additional monthly assessments will be made to unit owners with more than "two" occupants. Any person who intends or for whom it is intended to make a unit his principal residence and any guest whose visit in the unit exceeds 30 days during the calendar year shall be deemed an occupant for purposes of this subsection. The additional monthly assessment shall be $5.00 for the third, $15.00 for the fourth, and $25.00 for each additional person over four. The additional assessments shall be pro-rated for each additional occupant who does not reside in the unit during the entire month.

16. ADOPTION OF BYLAWS.

16.1 Compliance with Bylaws and Other Restrictions. Each unit owner shall comply with the Bylaws and with the administrative rules and regulations adopted pursuant thereto and with the covenants, conditions and restrictions in this Declaration or in the deed to his unit. Failure to comply therewith shall be grounds for suit or action, maintainable by the Association of Unit Owners or by any unit owner, in addition to other sanctions which may be provided by the Bylaws or by any existing administrative rules and regulations.

16.2 Legal proceedings. Failure to comply with any of terms of the condominium documents and regulations adopted pursuant thereto, shall be grounds for relief which may include, without in-
tending to limit the same, an action to recover sums due, damages or a suit for injunctive relief, to foreclose a lien or any combination thereof. Relief may be sought by the Association or by the manager of the Association, or if appropriate, by an aggrieved unit owner.

16.3 Costs and Attorney's fees. In any proceeding arising because of alleged default by a unit owner, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorney's fees as may be determined by the court for the trial or any appeal thereof.

16.4 Waiver of Rights. The failure of the Association or a unit owner to enforce any right, provision, covenant or condition which may be granted by a condominium document, shall not constitute a waiver of the right of the Association or unit owner to enforce such right, provision, covenant or condition in the future.

IN WITNESS WHEREOF, George Fox College Foundation has caused this declaration to be executed this 1978 day of December.

GEORGE FOX COLLEGE FOUNDATION
an Oregon corporation

By Milo C. Ross
Executive Director

[Signature]

PAGE 13 - SUPPLEMENTAL DECLARATION
STATE OF OREGON
County of Yamhill

) ss.

Personally appeared the above-named MILO C. ROSS, who being
first duly sworn, did say that he is the Executive Director of the
George Fox College Foundation, an Oregon corporation, and that the
foregoing instrument was signed and sealed in behalf of said corpor-
ation by authority of its Board of Directors, and they acknowledged
said instrument to be its voluntary act and deed.

BEFORE ME,

NOTARY PUBLIC FOR OREGON
My Commission Expires: 3/5/62

The foregoing Declaration is approved pursuant to ORS 91.512
this ______ day of ____________, 197__.

Yamhill County Assessor
EXHIBIT A-3

A portion of Section 17, T3S, R2W, W.M., in the city of Newberg, Yamhill County, Oregon, more particularly described as follows:

Beginning at an iron pipe which bears N 00°11'30" 1613.39' ± and E 30.00' from the Southwest corner of Section 17, T3S, R2W, W.M., Yamhill County, Oregon, and said point lying in the east line of Meridian Street, 30.00' from the centerline of said street, and bearing N 00°11'30" W 208.87' from the intersection of the Northerly Right-of-Way line of the Southern Pacific Railroad, and running thence N 55°42'50" E 91.30 to a point, thence North 82.00' to a point, thence East 90.00' to a point, thence S 33°03'20" E 197.04' to a point on the Northerly Right-of-Way line of the Southern Pacific Railroad, thence S 56°56'40" W along said Right-of-Way 324.78' to a point on said Meridian Street, thence N 00°11'30" W along said Meridian Street 208.87' to a point of beginning.

Containing 1.199 Acres, more or less.
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The typical floor plan of each type unit and the typical cross section of each condominium building is set out in Exhibit "B".
SUPPLEMENT TO SUPPLEMENTAL DECLARATION
SUBMITTING STAGE III OF SPAULDING OAKS
to Oregon Unit Ownership Law

This supplement to the Supplemental Declaration Submitting
Stage III of the Spaولدing Oaks Condominium to Oregon Unit Ownership
Law is submitted pursuant to the provisions of Oregon Ownership Law
and is made and executed this 22 day of February, 1979
by GEORGE FOX COLLEGE FOUNDATION, an Oregon corporation, hereinafter
called the Declarant.

By document dated August 9, 1979, entitled Declaration of
Unit Ownership for Spaولدing Oaks Condominium, an Oregon condominium,
to Oregon Unit Ownership Law, Declarant created a condominium known
as "Spaولدing Oaks" within the City of Newberg, Yamhill County,
Oregon. Stage II of Spaولدing Oaks was submitted to the Oregon
Unit Ownership Law by a supplemental declaration recorded June 26,
1978 in Film 110 of the Records of Deeds of Yamhill County, Oregon
at page 942 through 985, as amended by instrument dated May 26, 1978
and recorded in Film 135 at page 1564 through 1591.

This supplement is filed to record the attached certificate
of substantial completion for Phase III of Spaولدing Oaks which is a
correction of failure to file with the Stage 3 Declaration.

IN WITNESS WHEREOF, George Fox College Foundation has
caused this declaration to be executed this 27 day of February 1979.

GEORGE FOX COLLEGE FOUNDATION
an Oregon corporation

By: Milo C. Ross
Executive Director

STATE OF OREGON )
) ss.
County of Yamhill )
February 27, 1979

Personally appeared the above named MILO C. ROSS, who being first duly sworn, did say that he is the Executive Director of the George Fox College Foundation, an Oregon corporation, and that the foregoing instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and they acknowledged said instrument to be its voluntary act and deed.

BEFORE ME:

[Signature]
Notary Public for Oregon
My Commission Expires: 01-10-81

VERNELLIE G. CHRISTENSEN
NOTARY PUBLIC — OREGON
My Commission Expires: 01-10-81
CERTIFICATE OF SUBSTANTIAL COMPLETION

Project: Spaulding Oaks, Newberg, Oregon
Phase III

To: George Fox College Foundation
Newberg, Oregon

Date of Issuance: December 1, 1978

This is to certify that the plans fully and accurately depict
the boundaries of the units and floors of the buildings, and
the construction of the building improvements depicted on the
floor plans and plat was completed on December 1, 1978 with
the following exceptions:

1. Exterior landscaping
2. Miscellaneous plumbing fixtures

Donald H. Lindgren, A.I.A., Architect

Subscribed and sworn to me this 1 day of December, 1978

State of Oregon
County of Clackamas

In witness whereof I have hereunto subscribed
my name and affixed my Official Seal.

[Signature]

[Seal]
AMENDED AND RESTATED
DECLARATION OF UNIT OWNERSHIP
FOR
SPAULDING OAKS CONDOMINIUM
an Oregon condominium

THIS AMENDED AND RESTATED DECLARATION, pursuant to the provisions of the Oregon Condominium Act, is made and executed on May 30, 2007, by SPAULDING OAKS HOMEOWNERS ASSOCIATION, hereinafter called the "Association."

Recitals, intent and purpose

SPAULDING OAKS CONDOMINIUM, an Oregon fee simple condominium, located within the City of Newberg the County of Yamhill, State of Oregon, is an established "55 or older" community. It is the intent and purpose of Spaulding Oaks to provide housing for persons who are fifty-five (55) years of age or older.

Spaulding Oaks Condominium was originally developed in three stages, between 1977 and 1979. The Association submits this Amended and Restated Declaration in order to consolidate the existing multiple declaration documents into a single revised and updated Declaration that more accurately reflects the intent and purpose of the Association. This Amended and Restated Declaration was proposed by the Board of Directors, reviewed and revised through multiple meetings of the Association and the Bylaws Revision Committee, and approved by a 75% vote of the Association in 2006.

This Declaration supersedes and replaces all terms in the Declaration for Stage I and all Supplemental Declarations for Stages II and III, which are recorded in the Records of Deeds of Yamhill County at Film 127, page 1813; Film 130, page 942; Film 135, page 1478; and Film 138, page 059.

NOW, THEREFORE, the Association does hereby amend and restate the Declaration for Spaulding Oaks Condominium as follows:

1. Definitions.

Except as otherwise provided in this Declaration, the terms defined in ORS 100.005 of the Oregon Condominium Act shall have the meanings set forth in that section.

2. Property Submitted.

2.1 This Declaration submits to the provisions of the Oregon Condominium Act the land herein described and all improvements now existing or to be constructed on such property known as SPAULDING OAKS CONDOMINIUM, a condominium in the County of Yamhill, State of Oregon (the "Condominium"). The Condominium property is described on the attached Exhibits A-1, A-2, and A-3, which respectively contain the legal descriptions for the original Stage I, Stage II, and Stage III of the Condominium.
2.2 The Condominium property includes the land described on the attached Exhibits A-1, A-2, and A-3, together with all easements, rights and appurtenances belonging thereto and all improvements now existing or hereafter placed on such land.

3. Names.

3.1 The Condominium is known as Spaulding Oaks Condominium.

3.2 The name of the association of unit owners is Spaulding Oaks Homeowners Association, hereinafter called "the Association."


Spaulding Oaks Condominium consists of 12 buildings containing 56 units, separate carport/garage buildings and a community center. Each building is of wood frame construction without basement and has a concrete foundation. The community center and the buildings containing units have composition roofing. The carport/garage buildings have metal or composition roofing. The designation and location of the buildings are shown on the attached Exhibit B, and on the recorded plat for the Condominium.

5. Units.

5.1 General Description, Location and Designation of Units.

The Condominium contains 56 individual units, ranging in size from 625 to 1,517 square feet. The location and designation of each unit are shown on the attached Exhibit B, and the approximate area of each unit is shown on the attached Exhibit C.

5.2 Unit Description.

Each unit shall be bounded by the interior surfaces of its perimeter and bearing walls, floors, ceilings, windows and window frames, doors and door frames, and trim, and shall include both the interior surfaces so described and the air space so encompassed. In addition, each unit shall include the outlet of any utility service lines, including water, sewerage, electricity, and gas and ventilating ducts within the unit, but shall not include any part of such lines or ducts themselves.

5.3 Use of Units.

5.3.01 Each unit is to be used as a single-family dwelling with at least one resident 55 years of age or older. All living units shall be used for residential purposes only. No person under the age of eighteen (18) may become a permanent occupant of a unit in Spaulding Oaks. Spaulding Oaks must remain in compliance with the Federal Housing For Older Persons Act (1995) regulations for fifty-five (55) years of age or older community. Additional limitations on use are contained in this Declaration and the Bylaws for Spaulding Oaks Condominium. Each unit owner shall be bound by each of the terms, conditions, limitations and provisions contained in such documents, including
the requirement to pay monthly payments as set forth in those documents.

5.3.02 An owner shall not make structural modifications to a unit located therein without previously notifying the Association in writing, through the Manager, if any, or through the Chairman of the Board of Directors. The Association shall have the obligation to respond with any objections within thirty (30) days, and failure to do so within stipulated time shall mean that there is no objection to the proposed structural modification.

6. **Limited Common Elements.**

The following shall constitute limited common elements, the use of which shall be restricted to the units to which they pertain:

6.1 The carports/garages and the storage within carports/garages, which pertain to the unit whose number they bear, as shown on the attached Exhibit B.

6.2 The porches, patios, decks, divider fences, front yards up to the sidewalk running in front of each unit and if back yards, up to a line running parallel to each unit not extending beyond the divider fences of each unit.

7. **General Common Elements.**

7.1 Each unit will be entitled to an undivided percentage ownership interest in the general common elements determined by the ratio which the area of the unit bears to the total area of all the units combined, as shown on the attached Exhibit C.

7.2 The general common elements consist of the following:

7.2.01 The land, pathways, community building (recreation building), driveways, fences, grounds, vehicle parking areas, and basically all portions of the Condominium that are not part of any unit, except carport/garage structures, which are limited common elements.

7.2.02 Pipes, ducts, chutes, conduits, wires and other utility installations to their outlets.

7.2.03 Roofs, foundations, bearing walls, perimeter walls, beams, columns and girders to the interior surfaces thereof.

7.2.04 Outside stairs, entrances and exits, including decks that are not part of the units or limited common elements.

7.2.05 All other elements of the buildings and property necessary or convenient to their existence, maintenance and safety, or normally in the common use, except as may be expressly designated herein as part of a unit or limited common element.
7.3 Rules and Regulations adopted by the Association.

No person shall use the common elements or any part thereof in any manner contrary to rules and regulations adopted by the Association. The Association shall have the right, but not the obligation, to issue rules and regulations limiting the use of the common elements to the members of the Association and their respective families, guests, and invitees. Such use may be conditioned upon the payment by the unit owner of such assessments as may be established by the Association for the purpose of defraying the cost.

8. Maintenance and Repair.

8.1 Unit Owners.

8.1.01 Each unit owner must perform promptly all maintenance and repair work within his own unit, which if omitted would affect the common elements of the project or a part thereof belonging to other owners, and shall be responsible for the damages and liabilities that their failure to do so may cause.

8.1.02 Each unit owner is responsible for the maintenance, repair, or replacement of interior doors and any plumbing, heating fixtures, telephones, fans, lighting fixtures and lamps, refrigerators, dishwashers, ranges, or other appliances and accessories that belong to the unit area such as owner installed storm doors, screen doors, air conditioners and etc.

8.1.03 The maintenance of any garage doors and interior walls in the carport/garage buildings shall be the responsibility of the owners of the unit to which they pertain.

8.1.04 An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and/or facility damages for which they are responsible, where such repair or replacement is not otherwise covered by insurance policies carried by the Association for the Association’s benefit.

8.2 Homeowners’ Association.

8.2.01 Maintenance and repair of the common elements shall be the responsibility of the Association, except for the limited common elements described in Section 6, which are the responsibility of the unit owner to which the limited common elements pertain. The Association may delegate to persons, firms or companies, such maintenance and repair duties, as the Association deems necessary. Common expenses resulting from such maintenance and repair shall be assessed as set forth in Section 9.

8.2.02 The Association shall notify any unit owner who fails to properly maintain limited common elements associated with their unit. The notice shall be in writing and shall describe the maintenance required to be carried out. If such unit owner fails to perform such required maintenance or arrange with the
Association's officers for a reasonable extension of time, the Association shall perform the maintenance, and the unit owner shall be assessed for the cost incurred by the Association. All assessments made by the Association pursuant to this Declaration or the Bylaws shall constitute a lien on the unit of the owner so assessed, which may be recorded and foreclosed as provided in ORS 100.450.

8.2.03 It is the policy of the Association that some of the painting of the limited common elements shall be done as a part of the overall repainting of the Condominium or parts of the Condominium and shall be done as a part of the assessment or reserve fund use for such work. The assessment for such painting costs shall be made in the same manner as other common element costs and expenses.

9. **Common Profits and Expenses.**

The common profits derived from and the common expenses of the general common elements shall be distributed and charged to the owner of each unit according to the percentage of undivided interest of such unit in the general common elements, as identified on the attached Exhibit C, except as specified elsewhere in the Declaration or the Bylaws.

10. **Voting.**

10.1 Votes.

All units shall have one vote. Any owner or co-owner of the unit subject to rules outlined in the Bylaws may cast this vote.

10.2 Counting Votes.

Votes are to be cast in every ballot by the unit owner or co-owner in the manner outlined in the Bylaws. All votes cast shall be of equal value.

11. **Service of Legal Process.**

Service of any legal process in any action relating to the Condominium may be made to either the Chairperson or Secretary of the Association of Unit Owners.

12. **Encroachments.**

If any portion of the common elements now encroaches upon any unit, or if any unit encroaches upon any other unit or upon any portion of the common elements, as a result of the construction of any building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any building, a valid easement shall exist for the encroachment and for the maintenance of the same so long as the building stands. In the event any building, unit, adjoining unit, or adjoining common element, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or
eminent domain proceedings and then rebuilt, encroachments of parts of the common elements upon any unit or of any unit upon any other unit or upon any portion of the common elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the building shall stand.

13. Approval by Mortgagees.

In addition to any other approvals required by the Oregon Condominium Act, this Declaration or the Bylaws, the prior written approval of all holders of first mortgages or beneficiaries of first deeds of trust of units in the Condominium must be obtained for the following:

13.1 The removal of the property from unit ownership, except when such removal is by operation of ORS 100.605 in the case of substantial loss to the units and common elements;

13.2 The partition or subdivision of any unit or of the common elements; or

13.3 A change in the percentage interests in the common elements of the unit owners.

14. Right of Entry

14.1 In addition to the rights granted to the Association elsewhere in this Declaration, the Bylaws, or under the Oregon Condominium Act, the Board, acting on behalf of the Association, or a manager or any other person authorized by the Board, shall have the right to enter any owner’s unit or units in the case of any emergency or property damage originating in or threatening such unit(s) or other units, common elements or Association property, or requiring repairs in such unit(s) to protect public safety, whether or not the owner is present at the time.

14.2 In addition to the right of entry in paragraph 14.1, each unit owner shall also permit such persons authorized by the Board to enter the owner’s unit or units for the purpose of performing installations, alterations, maintenance, or repairs to any common elements Association property, or another unit, or inspecting the unit to verify that the owner is complying with the restrictions and requirements described in the Declaration, the Bylaws, or rules adopted by the Association provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the owner.

14.3 Upon request and at reasonable times, any unit owner shall be permitted to enter and travel through areas otherwise restricted to the use of another unit owner for the purpose of maintaining or moving large objects into the area restricted in use to the unit owner making such request. The request shall be made to the unit owner whose private area will be entered. Any unreasonable refusal shall be brought to the immediate attention of the Board of Directors.

15. Use of Property.

15.1 Compliance with Laws, Ordinances and Regulations.
Each unit is to be used as a single-family dwelling. The common elements shall be used for the furnishings of services, facilities and for the enjoyment of the units. No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof, and all valid laws, zoning ordinances and regulations of the governing bodies having jurisdiction thereof shall be observed.

15.2 Authority of Association to Grant Leases and Other Interests

The Association has authority to grant leases, easements, rights of way, licenses and other similar interests affecting the general and limited common elements of the Condominium and consent to vacation of roadways within and adjacent to the Condominium.

15.3 Additional Assessment for Multiple Occupancy.

The common elements of Spaulding Oaks Condominium which are unrestricted in use, are for the benefit of and may be used and enjoyed by all occupants of each unit regardless of the unit's number of occupants. However, because of the disproportionate wear and tear and demand for use of the common elements attributable to units with multiple occupants, additional monthly assessments will be made to unit owners with more than two occupants. Any person who intends or for whom it is intended to make a unit his principal residence and any guest whose visit in the unit exceeds (30) days during a calendar year shall be deemed an occupant for the purposes of this subsection. The additional monthly assessment shall be twenty percent (20%) of the monthly assessment for each additional person over two (2). No person under eighteen (18) may visit longer than thirty (30) days a year.

16. Adoption of Bylaws; recording; amendment;

Along with this Amended and Restated Declaration, the Association is adopting and recording Amended and Restated Bylaws for the Association. The Bylaws may not provide that greater than a majority of the unit owners is required to amend the bylaws except for amendments relating to age restrictions, pet restrictions, limitations on the number of persons who may occupy units and limitations on the rental or leasing of units. An amendment relating to a matter specified in this subsection is not effective unless approved by at least 75 percent of the owners or a greater percentage specified in the Bylaws.

16.1 Amendment.

The Bylaws may be amended from time to time as provided therein. Any amendment thereto shall be recorded in the official records of Yamhill County, Oregon.

16.2 Compliance with Bylaws and other Restrictions.

Each unit owner shall comply with the Bylaws, with the administrative rules and regulations adopted pursuant thereto, and with the covenants, conditions and restrictions in this Declaration or in the deed to his unit. Failure to comply shall be grounds for suit or
action, maintainable by the Association or by any unit owner, in addition to other sanctions which may be provided by the Bylaws or by an existing administrative rules and regulations.

16.3 Legal Proceedings.

Failure to comply with any of the terms of the Condominium documents and regulations adopted pursuant thereto shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due, damages or a suit for injunctive relief, to foreclose a lien or any combination thereof. Relief may be sought by the Association or by the managing agent, if there is one, or if appropriate, by an aggrieved unit owner.

16.4 Costs and attorney's fees.

In any proceeding arising because of alleged default by a unit owner, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorney's fees as may be determined by the court for the trial or any appeal thereof.

16.5 Waiver of Rights.

The failure of the Association or a unit owner to enforce any right, provision, covenant or condition which may be granted by the Condominium document, shall not constitute a waiver of the right of the Association or unit owner to enforce such right, provision, covenant or condition in the future.


17.1 The Spaulding Oaks Homeowners Association serves as a means through which the unit owners take action with regard to administration, management and operation of the Condominium.

17.1.01 The Association may hire and terminate managing agents and employees, agents and independent contractors.

17.1.02 The Association may exercise any other powers determined by the Association to be necessary and proper for the governance and operation of the Association.

17.2 The Board of Directors shall be composed of at least five persons, elected by the Association at the Annual Meeting pursuant to the Bylaws. Each director must be a homeowner or co-owner of a unit in Spaulding Oaks Condominium. However, co-owners of the same unit may not serve on the Board of Directors at the same time.

17.2.01 The Board of Directors shall be held responsible by the Association of Unit Owners for the administration of the affairs of the Association. The Board of Directors shall abide by the rules and restrictions of the Condominium and shall not take any action contrary to the Bylaws. The Board of Directors shall put into
effect and enforce the rules and restrictions for Spaulding Oaks.

17.2.02 The officers of the Association shall be selected by the Board of Directors each year at the organizational meeting of the new board.

17.2.03 The principal officers of the Association shall be a Chairman, a Vice-Chairman, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. If a non-unit owner is selected as Secretary or Treasurer, the Association must approve the recommendation by ballot. The Board of Directors may appoint other officers as may be necessary.

17.2.04 The Board of Directors may appoint an individual unit owner to act as Manager of the property. If a firm or corporation is selected to act as Manager by the Board, the Association must approve the recommendation by ballot.

18. Mortgagors.

18.1 Notice of Change in Documents or Manager.

The Association shall give the mortgagors written notice thirty (30) days prior to the effective date of: (i) any change in the Condominium documents, and (ii) any change of Manager (not including change in employees of corporate manager) of the Condominium.

18.2 Notice of Default by Mortgagor.

The Association shall give the mortgagee written notification of any default by their mortgagors in the performance of such mortgagor's obligation pursuant to the Condominium documents or the Oregon Condominium Law, which is not cured within ninety (90) days.

18.3 Mortgagor Shall Respect Certain Restrictions.

Any mortgagor who comes into possession of a mortgaged unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal." However, the Mortgagor shall respect Association rules and restrictions concerning the occupancy of a unit. All occupants of any unit in Spaulding Oaks must comply with the Bylaws, with the rules and regulations adopted pursuant thereto, and with this Declaration.

18.4 Discharge of Lien Upon Foreclosure

Any holder of the mortgage which comes into possession of the unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units,
18.5 Written Consent of Mortgagee Required in Certain Cases

Unless all holders of first mortgage liens on individual units have given their prior written approval, the Association shall not:

18.5.01 Change the pro rata interest or obligations of any Condominium unit for purposes of (1) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (2) determining the pro rata share of ownership of each unit in the common elements.

18.5.02 Partition or subdivide any unit or the common elements of the Condominium;

18.5.03 By act or omission seek to abandon the condominium status of the Condominium except as provided by statutes in case of substantial loss to the units and common elements of the Condominium;

18.5.04 By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer, the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Condominium shall not be deemed a transfer within the meaning of this clause;

18.5.05 Use hazard insurance proceeds for losses to any Condominium property (whether to units or to common elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or common elements of the Condominium.

18.6. Proxy Held by Mortgagee in Certain Cases

The first mortgagee may attend a meeting of the association of unit owners with the proxy of the mortgagor of said unit for the purpose of voting to paint or otherwise maintain the common elements. Provided, however, such rights shall arise only in the event the mortgagee reasonably believes that the Association has failed to maintain the common elements in sufficient manner to prevent excessive wear and tear.

18.7. Right to Examine Books and Records

All first mortgagees shall have the right to examine the books and records of the Association or the Condominium upon reasonable notice and at reasonable times.

18.8. Notice in Event of Loss or a Taking

The Association shall give all first mortgagees written notice of any loss to, or taking of, the common elements of the Condominium if such loss or taking exceeds ten thousand dollars ($10,000.00).
19. **Covenants with the City of Newberg**

19.1 The Association shall maintain the common areas and elements of the Condominium (including open spaces, recreational facilities and access ways) in the manner necessary to meet the standard lawfully required by the City of Newberg under the authority of its ordinances, including but not limited to, ordinances relating specifically to the Condominium property. Unit owners shall be assessed sufficient amounts to assure that the maintenance of common areas and elements conforms to such standards. The foregoing maintenance requirements shall continue as an obligation upon the property and the owners thereof, notwithstanding dissolution of the Association or withdrawing of the property from unit ownership.

19.2 In the event the Association is dissolved or for any reason ceases to maintain common areas and elements (including open spaces, recreational facilities and access ways), the City of Newberg may perform any maintenance work it reasonably deems necessary and may impose a lien upon the units, and common elements appertaining thereto, for the reasonable value of said work. Any such lien may be enforced and foreclosed in the manner provided in the Oregon Revised Statutes. Notwithstanding any other provisions of this Declaration and the Bylaws, the foregoing covenant and restriction shall not be amended, changed, revoked or terminated in whole or in part, without the express written consent of the City of Newberg.

20. **Amending the Declaration**

20.1 How proposed.

Amendments to the Declaration shall be proposed by either a majority of the Board of Directors or by unit owners holding thirty percent (30%) or more of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment.

20.2 Approval Required.

Except as may otherwise be provided in this Declaration or by the Oregon Condominium Act, this Declaration may be amended if such amendment is approved by Owners holding at least seventy-five percent (75%) of the voting rights of the Condominium. Except as otherwise permitted by the Oregon Condominium Act, no amendment may change the size, location, allocation of undivided interest in the common elements, method for determining liability for common expenses, the method of determining the right to common profits, or the method of determining the voting rights of any unit unless such amendment has been approved by the owners and mortgagees of the affected unit.

20.3 Recordation.

Amendments to this Declaration shall be effective upon recordation in the deed records of Yamhill County, Oregon of the Declaration as amended, or of the amendment thereto, certified by the chairperson and secretary of the Association as being adopted in accordance with this Declaration and the provisions of the Oregon Condominium Act,
and approved by the county assessor and the Oregon Real Estate Commissioner if such approvals are required by the Act.

IN WITNESS WHEREOF, the Association has caused this Amended and Restated Declaration of Unit Ownership for Spaulding Oaks Condominium to be executed this 30th day of May, 2007.

Spaulding Oaks Homeowners Association

By: Stephen McKinney, Chairman
Spaulding Oaks HOA Board of Directors

State of Oregon )
) ss
County of Yamhill )

The foregoing instrument was acknowledged before me on May 30, 2007 by Stephen McKinney as Board Chairman of Spaulding Oaks Condominium, on behalf of the Spaulding Oaks Homeowners Association.

Irene R. Hines
Notary Public for Oregon
My Commission Expires: 4/22/2011

The foregoing Declaration is approved pursuant to ORS 100.110 this 5th day of June 2007, and pursuant to ORS 100.110(7), this approval shall expire automatically if this Declaration is not recorded within two (2) years from this date.

Gene Bentley, Acting
Oregon Real Estate Commissioner

By: Laurie Skillman
County Assessor
FIRST AMENDMENT
TO
THE AMENDED AND RESTATED DECLARATION OF UNIT OWNERSHIP FOR SPAULDING OAKS CONDOMINIUM
FIRST AMENDMENT
TO
THE AMENDED AND RESTATE DECLARATION OF UNIT OWNERSHIP FOR
SPAUDELING OAKS CONDOMINIUM

This First Amendment to the Amended and Restated Declaration of Unit Ownership for Spaulding Oaks Condominium is made by the Spaulding Oaks Homeowners' Association ("Association") and is effective on recording.

RECITALS

A. Spaulding Oaks Condominium (the "Condominium") is a condominium located in the City of Newberg, Yamhill County, Oregon. The Condominium was established pursuant to the Declaration of Unit Ownership for Spaulding Oaks Condominium ("Declaration") recorded in 1977 in the Yamhill County Records at Film 127, page 1813, and supplements thereto; and the Amended and Restated Declaration of Unit Ownership for Spaulding Oaks Condominium, recorded June 8, 2007 as document 200712575 in the Yamhill County Records.

B. Association is the Spaulding Oaks Homeowners' Association, formed pursuant to the Declaration and the Bylaws recorded concurrently therewith.

C. Pursuant to Section 20 of the Declaration, the Association and unit owners of the Condominium wish to amend the Declaration in the manner set forth below.

NOW, THEREFORE, in accordance with Section 20 of the Declaration and ORS 100.135, with the consent or approval of owners of at least seventy-five percent (75%) of the units, the Association hereby amends the Declaration in the manner set forth below.

I. Section 5.3.01 is hereby deleted and replaced with the following language:

5.3.01 Spaulding Oaks must remain in compliance with the Federal Housing For Older Persons Act (1995) regulations for fifty-five (55) years of age or older community. Each unit is to be used as a single-family dwelling with at least one resident 55 years of age or older except that, as authorized by Part IV, Department of Housing and Urban Development, 24 CFR Part 100 Implementation of the Housing for Older Persons Act of 1995, Final Rule Section 100.305 "80 percent occupancy," and upon approval of the Board of Directors, a unit may be occupied by a resident(s) under fifty-five (55) years of age, but who must be thirty (30) years of age or older. Not more than twenty (20%) percent of all units, or a total of eleven (11) units may be occupied without at least one resident 55 years of age or older. All living units shall be used for residential purposes only. No person under the age of eighteen (18) may become a permanent occupant of a unit in Spaulding Oaks. Additional limitations on use are contained in this Declaration and the Bylaws for Spaulding Oaks Condominium. Each unit owner shall be bound by each of the terms, conditions, limitations and provisions contained in such documents, including the requirement to pay monthly payments as set forth in those documents.
II. **New Section 5.3.03 added to the Declaration:**

5.3.03 No owner shall simultaneously have any ownership interest in more than five (5) of the fifty-six (56) units. This restriction shall not apply to an owner with an ownership interest in more than five (5) units as of June 1, 2013. Provided, however, that an owner with an ownership interest in more than five (5) units as of June 1, 2013 shall at no time be permitted to increase the number of units in which that owner has an ownership interest unless the increase results in that owner having an ownership interest in five (5) or fewer units.

III. **New Section 5.4 is added to the Declaration:**

5.4 Units Rented or Leased to Others

5.4.01 No more than twenty-five (25) of the units may be rented or leased at one time.

5.4.01(a) The limitation established in this section 5.4.01 shall be subject to "hardship exceptions" as described in section 5.4.01(b). The Board of Directors shall have discretion to accommodate an owner's hardship by approving an application to temporarily rent or lease the owner's unit, so long as the total number of units rented or leased does not exceed twenty-seven (27) units.

5.4.01(b) An owner wishing to rent or lease the owner's unit due to hardship shall submit a written application to the Board of Directors pursuant to procedures established by Resolution of the Board of Directors. The Board of Directors shall have discretion to grant or deny any application under this subsection. In considering an owner's application, however, the Board shall consider the following:

(i) The length of the requested exception. No exception granted under this section shall exceed twenty-four (24) months;

(ii) The nature of the proposed lease. Rentals under this section must comply with all other requirements applicable to rentals.

(iii) The owner's employment circumstances;

(iv) The owner's health (i.e. onset of disability, death of spouse);

(v) Local real estate market conditions and the owner's efforts to sell the Unit; and

(vi) Any other criteria the Board of Directors deems relevant.

5.4.02 No unit shall be rented or leased for a period of less than thirty (30) consecutive days.

5.4.03 Prior to renting or leasing a unit, an Owner must apply for and receive written permission from the Board of Directors to ensure compliance with Sections 5.4.01 and 5.4.02. Application must be made pursuant to policies adopted by Resolution of the Board of Directors.

5.4.04 All units being rented or leased as of the date this restriction is adopted may remain rented or leased, notwithstanding whether the total number of rented/leased units in the condominium exceeds the limits set forth in Section 5.4.01, until the unit becomes owner occupied or is sold (whichever occurs first). Thereafter, a unit may only be rented or leased pursuant to Sections 5.4.01-5.4.03, above.
IV. SECTION 8 is hereby deleted and replaced with the following language:

8. Maintenance and Repair.

8.1 Unit Owners.

8.1.03 Each unit owner is responsible for the maintenance, repair, or replacement of interior doors and any heating fixtures, fans, lighting fixtures, garage door openers (and related hardware) or other appliances and accessories that belong to the interior of the carport/garage of the unit to which they pertain.

8.2 Homeowners' Association.

8.2.01 Maintenance and repair of the common elements shall be the responsibility of the Association, except for the limited common elements described in Section 8.1.03, which are the responsibility of the unit owner to which those limited common elements pertain. The Association may delegate to persons, firms or companies, such maintenance and repair duties, as the Association deems necessary. Common expenses resulting from such maintenance and repair shall be assessed as set forth in Section 9.

8.2.02 The Association shall notify any unit owner who fails to properly maintain limited common elements associated with their unit that the owner is responsible to maintain, if the omission of such maintenance would affect the common elements of the project. The notice shall be in writing and shall describe the maintenance required to be carried out. If such unit owner fails to perform such required maintenance or arrange with the Association's officers for a reasonable extension of time, the Association shall perform the maintenance, and the unit owner shall be assessed for the cost incurred by the Association. All assessments made by the Association pursuant to this Declaration or the Bylaws shall constitute a lien on the unit of the owner so assessed, which may be recorded and foreclosed as provided in ORS 100.450.

8.2.03 The Board of Directors may approve an owner request to alter or modify the limited common element(s) related to his/her unit or to perform landscaping within the limited common element related to his/her unit. The Board of Directors shall, by Resolution, adopt standards and procedures for obtaining such approval. Maintenance and repair of alterations or modifications and/or landscaping shall be the responsibility of the owner. Upon transfer of ownership of the unit, (a) the new owners must assume, in writing, responsibility for continued maintenance and repair and/or landscaping of the altered or modified limited common element(s) of the unit, or (b) the seller must restore the limited common element(s) to the original condition and configuration at the seller’s expense.

SPALDING OAKS HOMEOWNERS’ ASSOCIATION

By: [Signature]
President

By: [Signature]
Secretary
CERTIFICATION

The undersigned President and Secretary of the Association hereby certify that the foregoing First Amendment was adopted in accordance with the Declaration, Bylaws and ORS 100.135 of the Oregon Condominium Act.

By: [Signature]
President

STATE OF OREGON  )
) ss.
County of Washington  )

The foregoing instrument was acknowledged before me this 16th day of October, 2013, by [Signature]
Friedenc Gregori, President of SPAULDING OAKS HOMEOWNERS' ASSOCIATION, on its behalf.

[Notary Seal]
Alexander Nelson
Notary Public for Oregon

By: [Signature]
Secretary

STATE OF OREGON  )
) ss.
County of Washington  )

The foregoing instrument was acknowledged before me this 16th day of October, 2013, by [Signature]
Daniel Stanmore, Secretary of SPAULDING OAKS HOMEOWNERS' ASSOCIATION, on its behalf.

[Notary Seal]
Alexander Nelson
Notary Public for Oregon
GOVERNMENTAL APPROVALS

OREGON REAL ESTATE COMMISSIONER

The foregoing First Amendment to The Amended and Restated Declaration of Unit Ownership for Spaulding Oaks Condominium is approved pursuant to ORS 100.110 this 20th day of October, 2013. In accordance with ORS 100.110(8), this approval automatically expires if this amendment is not recorded within one (1) year from this date.

OREGON REAL ESTATE COMMISSIONER

By: [Signature]

Laurie A. Skillman

YAMHILL COUNTY ASSESSOR

The foregoing First Amendment to The Amended and Restated Declaration of Unit Ownership for Spaulding Oaks Condominium is approved pursuant to ORS 100.110 this 28th day of October, 2013.

YAMHILL COUNTY ASSESSOR

By: [Signature]
CERTIFICATE OF SUBSTANTIAL COMPLETION

Project: Spaulding Oaks, Newberg, Oregon
Phase I

To: George Fox College Foundation
Newberg, Oregon

Date of Issuance: March 9, 1978

This is to certify that the plans fully and accurately depict the boundaries of the units and floors of the buildings, and the construction of the building improvements depicted on the floor plans and plat was completed on March 9, 1978, with the following exceptions:

1. Exterior staining
2. Exterior landscaping
3. Exterior fencing

Donald H. Lindgren, A.I.A., Architect

Subscribed and sworn to before me this ___ day of March, 1978

Notary Public:

My Commission expires: June 30, 1978

County of Oregon

[Notary Public Seal]
March 20, 1978

Mr. Stan Bunn
Attorney at Law
408 East First Street
Newberg, Oregon 97132


Dear Mr. Bunn:

We enclose herewith the Declaration of Unit Ownership as approved by this office under even date hereof.

We request that once this document is recorded, a copy, complete with recordation information, be furnished this office for our records.

Thank you for your assistance in this matter.

Very truly yours,

Barbara Kanz, Examiner
Subdivision Section

Enc.
Revisions to the By-laws of the Spaulding Oaks Condominium require approval by 75% of the homeowners. There are 56 units in the complex, 75% of 56 is 42.

On July 5, 1983, the members of the Spaulding Oaks Homeowners Association voted 48 for and 2 against changing Article XIV page 26.

From:

No children under the age of 18 years may be in residence in the development. No person nor group of persons may become or remain a unit owner or unit owners in the development unless such person or one of the group is at least forty-five years of age. If such ownership should occur, the Association has ninety days from the date of such occurrence to purchase such unit at its then fair market value. If the Association does not exercise the right hereinabove provided, such failure shall not constitute a waiver of this provision or the right to exercise its rights of repurchase as hereinabove provided in the future.

To:

Section 1: No children under the age of eighteen years may be in residence in the development. No person under the age of forty-five (45) years of age may be in residence in the development unless someone in the group is at least forty-five years of age. If such residency should not be rectified, the Association has ninety days from the date of such occurrence and written notice thereof to purchase such unit at the market value — unit to be appraised by certified appraiser. If the Association does not exercise the right hereinabove provided, such failure shall not constitute a waiver of this provision or the right to exercise its right of repurchase as hereinabove provided in the future. This right shall be an ongoing right of the Association.

On the same date the members voted 46 for and 4 against adding the following to the second paragraph of Article XV page 26:

This provision shall be enforced only if the alleged violation extends beyond 24 hours. The intent being to give a grace period for servicing and loading and unloading.

On November 29, 1983, the members voted 44 for and 7 against adding the following as a second section to Article XIV page 26:

Section 2: When and if an owner of a unit in Spaulding Oaks complex allows a person under age 45, as prohibited in Section 1 of Article XIV, to rent, lease or occupy a unit, the Board of Directors shall assess the owner up to $250.00 per month for as long as the non-compliance exists. Further, the Board shall have the authority to place a lien against the occupied unit in order to insure collection of such assessment.

DATE: April 27, 1984

Clarence E. Johnson
Chairman
Spaulding Oaks Homeowners Association

Marie E. Chapman
Secretary
Spaulding Oaks Homeowners Association
The foregoing Amendment to the By-Laws is approved pursuant to ORS 94.152 this 24th day of May, 1984.

MORELLA LARSEN
Real Estate Commissioner
By [Signature]

STATE OF OREGON
County of Yamhill

I, CHARLES STERN,
COUNTY CLERK
YAMHILL COUNTY, OREGON
hereby certify that the

above instrument was received and duly recorded by me in Yamhill County records:

1984 MAY 29 AM 11: 44

186 Page 939 Krista
Building Area Homeowners Assoc
Revisions to the By-Laws of the Spaulding Oaks Condominium require approval by 75% of the homeowners. There are 56 units in the complex. 75% of 56 is 42.

On September 20, 1990, the members of the Spaulding Oaks Homeowners Association voted 44 for and 1 against changing Article XIV, Page 26.

From:

No children under the age of eighteen years may be in residence in the development. No person under the age of forty-five (45) years of age may be in residence in the development unless the person in the group is at least forty-five years of age. If such residency should not be met, the Association has ninety days from the date of such occurrence and written notice thereof to purchase such unit at market value - unit to be appraised by certified appraiser. If the Association does not exercise the right hereinabove provided, such failure shall not constitute a waiver of this provision or the right to exercise its right of repurchase as hereinabove provided in the future. This right shall be an ongoing right of the Association.

To:

It is the intent of Spaulding Oaks to provide housing for those persons who are fifty-five (55) years of age or older. No children under the age of eighteen may be in residence in the development. Each unit must be occupied by at least one person who is fifty-five years of age or older. If such residency should not be met, the Association has ninety days from the date of such occurrence and written notice thereof to purchase such unit at market value - unit to be appraised by certified appraiser. If the Association does not exercise the right hereinabove provided, such failure shall not constitute a waiver of this provision or the right to exercise its right of repurchase as hereinabove provided in the future. This right shall be an ongoing right of the Association.

L. Robert
Levi S. Arbogast, Chairman
Spaulding Oaks Homeowners Association

Eula R. Williams
Secretary
Spaulding Oaks Homeowners Association
SPALDING OAKS CONDOMINIUM

BY-LAW REVISIONS

Revisions to the By-Laws of the Spalding Oaks Condominium requires approval by 75% of the homeowners. There are 56 units in the complex. 75% of 56 is 42.

On July 5, 1991, the members of the Spalding Oaks Homeowners' Association voted 46 for and 0 against changing Article XIV, Section 1, Page 26.

FROM: It is the intent of Spalding Oaks to provide housing for those persons who are fifty-five (55) years of age or older. No children under the age of eighteen may be in residence in the development. Each unit must be occupied by at least one person who is fifty-five (55) years of age or older. If such residency should not be met, the Association has ninety days from the date of such occurrence and written notice thereof to purchase such unit at the market value – unit to be appraised by a certified appraiser. If the Association does not exercise the right hereinafore provided, such failure shall not constitute a waiver of this provision or the right to exercise its right of repurchase as hereinabove provided in the future. This right shall be an ongoing right of the Association.

TO: SECTION 1: It is the intent of Spalding Oaks to provide housing for those persons who are fifty-five (55) years of age or older. No children under the age of eighteen may be in residence in the development. Subject to Section 3, below, each unit must be occupied by at least one person who is fifty-five (55) years of age or older. In the event of breach of this requirement, the Association shall give the owner of the unit written notice of such breach. If such breach is not cured within thirty (30) days, the Association has the right to purchase such unit from the owner at the Fair Market Value. Fair Market Value of such unit shall be determined by a Certified Appraiser of the Association's choice. In the event the unit holder disagrees with the Fair Market Value set by the Association's Appraiser, the unit owner shall so advise the Association and may hire a Certified Appraiser of their choice. If the two Appraisers disagree as to the Fair Market Value, they shall select a third Appraiser whose decision shall be final. The cost of the third Appraiser shall be shared between the Association and the unit owner. If the Association does not exercise the right hereinafore provided, such failure shall not constitute a waiver of this provision or the right to exercise its right of repurchase as hereinabove provided in the future. This right shall be an ongoing right of the Association.

On July 5, 1991, the members of Spalding Oaks Homeowners' Association voted 46 for and 0 against changing Article XIV, Section 2, page 26.

FROM: Section 2: When and if an owner(s) of a unit in Spalding Oaks complex allows a person under age 45, as prohibited in Section 1 of Article XIV, to rent, lease or occupy a unit, the Board of Directors shall assess the owner up to $250.00 per month for as long as the non-compliance exists. Further, the Board shall have the authority to place a lien against the occupied unit in order to secure collection of such assessment.
TO:
Section 2: Should the owner(s) of a unit in the Spaulding Oaks complex rent, lease or otherwise permit a unit to be occupied by a family wherein at least one person is not of age 45 or over, or by a child under eighteen (18) years of age, as prohibited in Section 1 of this Article, the Board of Directors shall, in addition to the rights set forth in SECTION 1, levy a charge of $750.00 per month, from the unit owner(s), as liquid damages for breach of this Article and not as a penalty, for as long as such breach exists. Further, the Board shall have the authority to place a lien against the occupied unit in order to insure collection of such assessment.

On July 5, 1991, the members of Spaulding Oaks Homeowners' Association voted 45 for and 1 against adding the following as Section 3 to Article XIV, page 26.

SECTION 3: The law protects a surviving household member or cohabitant. Upon the death of a spouse or cohabitant and the surviving spouse or cohabitant is under the age of 55, they may remain in residence. If the under 55 surviving spouse or cohabitant moves from the residence, the new occupants must meet the requirements of Section 1 of this Article.

On July 5, 1991, the members of Spaulding Oaks Homeowners' Association voted 44 for and 2 against changing Article VI, Section 9, subsection (j) on page 18.

FROM:
Vehicular traffic on the streets and drives within the project shall 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.

TO:
Vehicular traffic on the streets and drives within the project shall be limited to ten (10) miles per hour as a safety precaution. The speed limit shall apply to bicycles, motor scooters, motorcycles, automobiles and trucks.

DATED this 15th day of July, 1991.

Muriel C. Boucher
Chairman
Spaulding Oaks Homeowners' Association

Edna R. Williams
Secretary
Spaulding Oaks Homeowners' Association

Notary for the State of Oregon
My Commission Expires 11/19/93

LINDA HERRICK
NOTARY PUBLIC - OREGON
My Commission Expires 11/19/93

STATE OF OREGON
COUNTY OF YAMHILL
I hereby certify that the instrument was received and duly recorded by me in Yamhill County records.

CHARLES STEEN
COUNTY CLERK

Notary for the State of Oregon
My Commission Expires 11/19/93
}

Charles Stern
County Clerk
AMENDED AND RESTATED
BYLAWS

OF

SPaulding Oaks Condominium

NEWBERG, OREGON

(Amended 2006)
PREAMBLE

Spaulding Oaks Condominium was built by George Fox Foundation under the leadership of Dr. Milo C. Ross, the executive director of the Foundation. Its purpose was to turn an asset into a liquid asset for George Fox College. Dr. David LeShana was president of the College at that time. Harley R. Adams Jr., the president of Construction Services, Inc., was the general contractor. His firm commenced actual site preparation for the two million dollar development in August 1977.

The buildings were constructed in three phases. The first phase included nineteen (19) units. The second phase included seventeen (17) units and the community center building. The third phase included twenty (20) units. When finished, Spaulding Oaks Condominium totaled fifty-six (56) units in twelve (12) buildings, the community center and the carport/garage buildings, which contain storage rooms.

George Fox College Foundation, the Declarant, submitted the document creating Spaulding Oaks Condominium, entitled Declaration of Unit Ownership for Spaulding Oaks Condominium, which was dated August 9, 1977. Stage two was submitted to the Oregon Unit Ownership by a Supplemental Declaration recorded June 26, 1978. The Supplemental Declaration for stage three was submitted in December of 1978.

George Fox College Foundation, the Declarant of Spaulding Oaks Condominium as required by Oregon Revised Statute (hereafter referred to as ORS) 100.210, adopted the Bylaws and an association of unit owners was established as required by ORS 100.405.

The first organizational meeting of Spaulding Oaks Homeowners' Association was held in the Community Center on September 30, 1978. The Board of Directors was elected as follows: Millard Peake, Walter Wilhite three year terms, Ruth Carney, Russel Gainer two year terms, Marie Hines one year term.

These Amended and Restated Bylaws were initially proposed by the Board of Directors in November of 2002. The Board established a Bylaws Revision Committee, which reviewed and revised the Bylaws and Declaration with input from the Association. The Amended and Restated Bylaws were approved by a 75% vote of the Association in 2006.
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Article I – Name

Section 1. Name

The name of the Condominium is Spaulding Oaks Condominium (the "Condominium").

Section 2. Location

The Condominium is located at 1100 N. Meridian Street in the city of Newberg, county of Yamhill, State of Oregon.

Section 3. Unit Ownership

The Condominium was established under the Oregon Unit Ownership Law, and is governed by the Amended and Restated Declaration of Unit Ownership for Spaulding Oaks Condominium, as well as these Amended and Restated Bylaws.

Article II – Purpose

Section 1. Intent

A. It is the intent of Spaulding Oaks Condominium to provide housing for those persons who are fifty-five years of age or older. No children under the age of 18 may be in residence in the development and each unit must be occupied by at least one person who is 55 years or older, except a surviving spouse or cohabitant under the age of 55 may remain in residence. See Article VIII, Section 3.

B. Spaulding Oaks is designed as a community to welcome those of the Christian faith, designed to provide privileges of fellowship with others of like faith.

C. The use of tobacco, intoxicating liquor or illegal drugs is discouraged.

D. No one is excluded from this project on the basis of race, color, sex, religion, national origin or handicap, in compliance with Federal Laws.

Section 2. Requirements

A. Each unit must be occupied by at least one person who is fifty-five (55) years of age or older and no person under the age of eighteen (18) years of age in order to be in compliance with the federal statutes. Important laws are the Fair Housing Amendments Act of 1988 and the Housing for Older Persons Act of 1995.

B. All owners and occupants must abide by the implementation of the requirements of this Section regarding age of occupants. (See 24 Code of Federal Regulations 100.306, "Intent to operate as housing designated for persons who are 55 years of age or older.")

C. Proof of age must be provided by occupant if asked for by the Board Directors or the Policy Committee. (See 24 CFR 100.307).
D. The law protects a surviving household member or co-habitant. Upon the death of
a spouse or co-habitant and the surviving spouse or co-habitant is under the age of fifty-five (55),
they may remain in residence. If the under fifty-five (55) surviving spouse or co-habitant moves
from the residence, the new occupants must meet the requirements in Subsection A of this
section.

Section 3. Applicability

A. The provisions of these bylaws are applicable to the project, the association of
owners and the entire management structure thereof.

B. All present or future owners, tenants or future tenants, employees, or any person
who might use the facilities of Spaulding Oaks in any manner, are subject to the regulations set
forth in these bylaws. The acquisition, rental, or the mere act of occupancy of any unit will
signify that these bylaws are accepted, ratified, and will be complied with by such persons.

C. Unit owners are responsible for the actions of their guests, employees or renters
and are responsible for informing them of Spaulding Oaks Condominium restrictions.

Article III – Homeowners' Association

Section 1. Name

Spaulding Oaks Homeowners' Association is the name of Spaulding Oaks
Condominium's Association of unit owners.

Section 2. Establishment

Spaulding Oaks Homeowners' Association was established as an unincorporated
association.

Section 3. Required Membership

A. The legal owner or contract purchaser of a unit in Spaulding Oaks Condominium
automatically becomes a member in the Spaulding Oaks Homeowners' Association and shall
remain a member until such time as his/her ownership ceases for any reason.

B. Membership in Spaulding Oaks Homeowners' Association shall be limited to unit
owners in compliance with the Oregon Condominium Act.

C. Proof of ownership must be provided if asked for by the Secretary or the Board of
Directors.

D. The homeowner shall notify the Secretary, who must keep a list of all legal
owners, if there is a change in unit ownership.

E. Where a unit in Spaulding Oaks Condominium is owned by a legal entity such as
a corporation or limited liability company, the legal entity may identify an individual officer,
member, employee, manager under contract, or managing company designee of such entity to
serve as agent of record for purposes of representing the legal entity's interests with respect to membership in the Spaulding Oaks Homeowners' Association. Such representative shall be provided notice of all Association matters in the same manner as other unit owners are provided notice, shall be entitled to participate on behalf of the unit owner in Association meetings, and shall be entitled to vote on behalf of the unit owner in the manner provided in Section 5 of this Article. The legal entity owning the unit shall notify the Secretary regarding the identification of the individual who will be representing its interests on an annual basis. Where a single legal entity owns multiple units in Spaulding Oaks Condominium, such legal entity may identify a single representative as stated above with regard to all units owned, plus a second officer, member, employee, manager under contract, or managing company designee of such entity as an alternate representative.

Section 4. Association's Responsibilities

Spaulding Oaks Homeowners' Association serves as a means through which the unit owners take action with regard to the administration, management and operation of the Spaulding Oaks Condominium pursuant to the Oregon Condominium Act.

A. The Association may appoint, terminate or retain managing agents, independent contractors and other individuals.

B. The Association elects and may remove the members of the Board of Directors.

C. The Association may appoint Special Committees.

D. The Association may amend and adopt bylaws, rules and regulations. ORS 100.405(4)(a).

E. The Association may exercise any other powers determined by the Association to be necessary and proper for the governance and operation of the Association. ORS 100.405(4)(r).

Section 5. Voting

A. Voting Right

a. All unit owners shall be entitled to vote, and this shall be true even if the unit is leased or rented or occupied by a third party. An owner's right to vote may not be revoked. When more than one (1) person holds an interest in any unit, the vote for such unit shall be exercised as they among themselves determine. Fractional votes shall not be allowed. In no event shall more votes than one per unit be entitled to be cast. ORS 100.525.

b. A purchaser entitled to immediate possession of the premises shall be deemed the owner of the premises and shall have the authority to vote for said unit. No person shall be recognized as a Unit owner without proof of ownership.
B. Votes

a. All units shall have one (1) vote. Any owner or co-owner of the unit subject to rules outlined in these bylaws may cast this vote. All votes cast shall be of equal value.

b. Unless otherwise specified in these bylaws, an item shall be considered approved if a majority of the ballots cast are in favor of the item.

c. A meeting of the Association may be by ballot, as the Directors may elect, rather than at a formal gathering. Ballots for such meeting must be properly executed and returned in sufficient quantity to constitute a quorum to pass or reject the proposal specifically propounded on the ballot.

d. On issues requiring 75% of approved eligible voters, uncast ballots shall be counted as affirmative.

C. Proxy Voting

a. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before or during the appointed 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.

b. An owner may not revoke a proxy given pursuant to this section except by actual written notice of revocation to the person presiding over a meeting of the association of unit owners. 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. ORS 100.427

D. Absentee Voting

The vote of a unit owner may be cast by absentee ballot. The absentee ballot must be submitted to the Secretary before or during the appointed meeting. All absentee ballots or the sealed envelope in which they are submitted must be signed and dated by the owner or proxy.

E. Maintenance of Records

The secretary shall maintain a record/file of the information required for all ballots, which shall include the following:

a. The names of all the legal owners of each unit in Spaulding Oaks Condominium.

b. All proxy information needed for all units.

Section 6. Majority of Owners

As used in these bylaws, the term "majority of voting owners" shall mean those owners holding over fifty percent (50%) of the vote, in accordance with these bylaws. "Majority of
voting owners present" shall mean voting owners holding over fifty percent (50%) of the votes present at any legal meeting.

Section 7. Quorum

Except as otherwise provided in these bylaws the presence in person or by proxy of a "majority of voting owners" as defined in Section 6 shall constitute a quorum.

Section 8. Meetings

A. Formal meetings of the Association shall be held in Spaulding Oaks Community Center unless otherwise specified in written Notice of Meetings.

B. Spaulding Oaks Homeowners' Association meetings must be held annually, pursuant to the Oregon Condominium Act, and may be called more often by notice to all unit owners not less than ten (10) days before the meeting as to the time and place thereof. New board members are to be elected to fill the vacating positions on the board at these annual meetings in accordance with these Bylaws. The owners may also transact such other business of the Association as may properly come before them.

C. Parliamentary Procedures

Meetings of Spaulding Oaks Homeowners' Association shall be conducted according to the latest edition of Robert's Rules of Order. ORS 100.409(1).

D. Notice of Meetings

It shall be the duty of the Secretary to mail a notice of each annual, or special meeting stating the purpose thereof and the time and place where it is to be held, to each owner of record and to all mortgagees that have requested such notice at least ten (10) but not more than fifty (50) days prior to such meeting. The mailing shall be to the owner's address last given to the Secretary in writing by the unit owner. If unit ownership is split or the unit has been sold on a contract, notice shall be sent to a single address, of which such parties have notified the Secretary in writing. If no address has been given to the Secretary in writing, 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.

E. Order of Business for Annual Meeting

a. Roll call and establishment of a quorum
b. Proof of notice of meeting or waiver of notice
c. Reading and approval of minutes of the preceding meeting
d. Reports of officers
e. Reports of committees
f. Appointment of inspectors of election

g. Election of directors

h. Unfinished business

i. New business

j. Announcements

k. Adjournment

F. Special Meetings

It shall be the duty of the Chairman to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by twenty percent (20%) or more of the owners having been presented to the Secretary. All meetings called because of petition of unit owners shall be held at a formal gathering and not by ballot. The notice of any special meeting shall state the time and place of such meeting except as stated in the notice unless by consent of all the owners of the units or as otherwise set out in these bylaws.

G. Adjourned Meetings

If any gathering of owners is not a legal meeting 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. The adjournment provisions of this section do not apply to meetings by ballot.

H. Ballot Meetings

A meeting of the Association may be by a ballot, as the Directors may elect, rather than at a formal gathering. Ballots for such a meeting must be properly executed and returned in sufficient quantity to constitute a quorum and must be received by or post-marked by the specified date determined by the Directors to be counted as valid ballots. The vote of a ballot meeting shall be determined by the Board of Directors within forty-eight (48) hours of the deadline for return of ballots. Each unit owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned, within ten (10) days after the ballots have been counted. No material may be distributed with the ballot except an explanatory statement approved by the Board of Directors.

Article IV – Board of Directors

Section I. Number and Qualifications

The Association at the Annual Meeting shall elect the Board of Directors, composed of at least five persons. Each director must be a homeowner or co-owner of a unit in Spaulding Oaks Condominium. However, co-owners of the same unit may not serve as Directors at the same time.
Section 2. Powers and Duties

The Board of Directors of the Spaulding Oaks Homeowners' Association may act on behalf of the Association except as limited by the Declaration or Bylaws. In the performance of their duties, Directors and Officers shall exercise the care required of fiduciaries.

A. Voting Rights

Only members of the Board of Directors may vote on issues at meetings of the Board.

B. Duties

In addition to duties imposed by these bylaws or by resolutions of the Association, the Board of Directors shall have authority to carry out and be responsible for the following matters:

a. The Board of Directors, at least annually, shall adopt a budget for the association of unit owners subject to the approval of the association of unit owners. Within 30 days after adopting the annual budget for the association, the board of directors shall provide a summary of the budget to all owners. If the Board of Directors fails to adopt an annual budget, the last adopted budget shall continue in effect. ORS 100.412.

b. At least annually, the Board of Directors shall review all insurance coverage of the Association. ORS 100.417(3).

c. Care, upkeep and supervision of the project and the general common elements and the limited common elements, if any, and assigning, supervising assignments or approving any assignment of the use of any common elements, general or limited, as may be required by the Declaration.

d. Designation and collection of monthly assessments from the owners, in accordance with these bylaws, the Declaration and the Oregon Unit Ownership Law.

e. Payment of all common expenses of the Association and institution and maintenance of a system for such payment, which shall require a sufficient number of signatures thereon as may be reasonably necessary to prevent any misuse of Association funds.

f. The membership of the Homeowners' Association must be sent a notice with a written ballot if a financial unbudgeted consideration is 5% greater or more than the current operating budget. A deadline shall be set for the voting to be returned and there must be approval by a majority of voting owners.

g. Recommending and approving the hiring of or retention of, compensation for, and dismissal of the personnel necessary for the maintenance and operation of the project, the common elements and the limited common elements.

h. To put into effect and enforce the rules and restrictions set out in the governing documents of Spaulding Oaks Condominium.
i. The Board of Directors may appoint an individual unit owner to act as manager of the property. If a firm, non-owner individual or corporation is selected to act as manager by the Board, the Association of Unit Owners must approve the recommendation by ballot.

j. The Board of Directors shall annually file the necessary income tax returns for the Association of unit owners, and shall keep financial records of the Association sufficient for proper accounting purposes.

k. The Board of Directors shall maintain a file (notebook) containing job descriptions for all officers, managers, committees, personnel, volunteers and others for whom a job description would be appropriate. This file shall be reviewed and revised as necessary by the Board. This file may be kept in the possession of the secretary.

l. The Board of Directors of the association shall annually conduct a reserve study or review and update an existing study to determine the reserve account requirements and may:

   (1) Adjust the amount of payments in accordance with the study or review, and

   (2) Provide for other reserve items that the board of directors, in its discretion, may deem appropriate.

   (3) The reserve study shall include:

       (a) Identification of all items for which reserves are to be established,

       (b) The estimated remaining useful life of each item as of the date of the reserve study.

       (c) An estimated cost of maintenance, repair or replacement of each item at the end of its useful life, and

       (d) A 30-year plan with regular and adequate contributions, adjusted by maintenance, repair and replacement schedule. ORS 100.175(3)

m. The Board of Directors shall file any and all required reports with the Real Estate Agency in accordance with ORS 100.415(15), 100.250, and 100.260.

Section 3. Election and Term of Office

A. Members of the Board of Directors are elected at the annual meeting of the Spaulding Oaks Homeowners' Association to fill the occurring vacancies.

B. The board members each serve a three-year term in office, which do not coincide. Approximately one-third (1/3) will be elected at each annual meeting of the Spaulding Oaks Homeowners' Association.
C. A unit owner or co-owner may serve on the Board no more than two consecutive three-year terms. One may be elected or appointed after a one year absence.

Section 4. Vacancies

Vacancies on the Board of Directors caused by any reason, other than the removal of a Director by vote of the Association, shall be filled by a vote at a meeting when all of the remaining Directors are present. Each person so elected shall be a Director until a successor is elected upon expiration of the term for which such person was elected by the other Directors to serve. In the event that this action would result in a majority non-Association elected board members, then the vacancy shall be filled by the recommendation of the Nominating Committee and voted on by the Association.

Section 5. Removal of Directors

A. At any legal annual or special meeting where a quorum is present, other than a meeting by ballot, any one or more of the Directors may be removed with or without cause, by a majority vote of all owners present and entitled to vote.

B. A replacement may then and there be elected to fill the vacancy thus created.

C. Any Director whose removal has been proposed by the owners may be given an opportunity to be heard at the meeting.

D. No removal of a member of the Board of Directors is effective unless the matter of removal is an item on the agenda and stated in the notice for the meeting required under Oregon Condominium Laws. ORS 100.407(3)

Section 6. Meetings

A. Open Meetings and Executive Sessions

a. All meetings of the Board of Directors of the Association of Unit Owners shall be open to unit owners and non-owner residents except that, in the discretion of the Board, the following matters may be considered in executive session:

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

(2) Personnel matters, including salary negotiations and employee discipline,

(3) Negotiation of contracts with third parties, and

(4) Collection of unpaid assessments.

b. Except in the case of an emergency, the Board of Directors shall vote in open meeting whether to meet in executive session. If the Board of Directors vote to meet in executive session, the Chairman of the Board shall state the general nature of the action to be considered and, as precisely as possible, when and under what circumstances the deliberations
can be disclosed to the owners. The statement, motion or decision to meet in executive session must be included in the minutes of the meeting.

c. A contract or an action considered in executive session does not become effective unless the Board of Directors, following the executive session, reconvenes in open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes.

d. The meeting and notice requirements in this section may not be circumvented by chance or social meetings or by any other means.

B. Parliamentary Procedures

Meetings of the Spaulding Oaks Board of Directors shall be conducted according to the latest edition of Robert's Rules of Order. ORS 100.409(1).

C. Place of Meetings

Spaulding Oaks Board of Directors may meet in the Spaulding Oaks Community Center or meeting room.

D. Regular Meetings

Regular meetings of the Board of Directors shall be held at such time and place as 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, e-mail, telephone or telegraph, which notice shall state the time, place (as herein above provided) and purpose of the meeting.

E. 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, e-mail, telephone or telegraph, which notice shall state the time, place (as herein above provided) and purpose of the meeting.

F. Agenda

An Agenda shall be distributed with the announcement of every meeting.

Section 7. Notice of Board of Directors Meetings.

A. 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 unit owners of such meetings. ORS 100.420(3)(a).
B. Only emergency meetings of the Board of Directors may be conducted by
telephonic communication or by the use of a means of communication that allow all members of
the Board of Directors participating to hear each other simultaneously or otherwise be able to
communicate during the meeting. ORS 100.420(2) and (3).

Section 8. 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 giving of such
notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by that
director 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.

Section 9. Board of Directors' Quorum

At all meetings of the Board of Directors, a majority of the existing Directors shall
constitute a quorum for the transaction of business, and the acts of the majority of the Directors
shall be the acts of the Board of Directors. There must be a quorum present to conduct business
at any meeting of the Spaulding Oaks Board of Directors.

Section 10. Action by Written Memorandum

A written "Memorandum of Action" signed by all of the existing Directors approving
such action may also take any action, which could be taken by the Board of Directors at an
emergency meeting. Note Section 7 possible restrictions.

Section 11. Emergency Conference Call Meetings

Emergency telephonic meetings may be held either upon notice to all Directors as to the
date and time and telephone number where each Director will be called and the participation
therein by a quorum of the Board, or upon the unanimous participation in such meeting instituted
by the Chairman. Such 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 the
telephone numbers on file with the Chairman to be used for telephonic meetings.

Section 12. Compensation of Directors

No Director shall be compensated in any manner, except for out-of-pocket expenses,
unless such compensation is approved by a vote of the unit owners.

Article V – Officers

Section 1. Designation

The principal officers of the Association shall be a Chairman, a Vice-Chairman, a
Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Chairman
and Vice-Chairman shall be selected from the Board of Directors. The Directors may appoint
any other officers as in their judgment may be necessary.
Section 2. Election and Term of Office

A. The Board of Directors shall elect the officers of the Association each year at the organizational meeting of the new board.

B. Each officer is elected for a one-year term.

Section 3. Removal of Officers

Upon 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.

Section 4. Duties of Officers

A. The Chairman shall be the chief executive officer of the Association. The Chairman of the Board of Directors shall be the Chairman of the Association. He/She shall preside at all meetings of the Association and of the Board of Directors. He/She shall have all 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 other than standing committees (to be reviewed at the next Board meeting) to assist in the conduct of the affairs of the Association. The Chairman of the Association shall abide by Robert's Rules of Order.

B. The Vice-chairman shall assume the duties of Chairman in the absence of the Chairman, and shall serve as assistant to the Chairman in his/her efforts for the good of the Association. The Vice-chairman shall chair meetings of the Board of Directors in the absence of the Chairman, and shall assume the office of Chairman in the event of resignation, disability, or death of the Chairman.

C. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association and shall distribute said minutes. The Secretary has charge of such records and papers as the Board of Directors may direct; and shall, in general, perform all the duties incidental to the office of Secretary.

D. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate records of all receipts and disbursements in financial records belonging to the Association. The Treasurer 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. The Treasurer shall work closely with the Bookkeeper if there is one. The Treasurer shall serve as an ex-officio member of the Finance Committee. The Treasurer shall report directly to the Board of Directors.

Section 5. Directors as Officers

Any Director may be an officer of the Association.
Section 6. Voting Powers

Only officers who are members of the Board of Directors have the power to vote at meetings of the Board of Directors.

Section 7. Compensation

No Director shall be compensated as a Director, except for out-of-pocket expenses.

Article VI – Committees

Section 1. Appointment

The Board of Directors may appoint the chairman and members of standing and special committees. Or the Board of Directors may appoint just the chairman of a committee and direct the chairman of that committee to nominate members for that committee to be approved by the Board of Directors. All committees shall have at least three members. The majority of members of all standing committees must be unit owners or co-owners; however, co-owners of the same unit may not serve on the same committee at the same time.

Section 2. Standing Committees

A. Building and Grounds Committee

B. Finance Committee

C. Policy Committee

D. Social Committee

Section 3. Nominating Committee

All Nominating Committee members must be unit owners or co-owners; however co-owners of the same unit may not serve on the same committee at the same time. The Nominating Committee shall not have an Ex-Officio member.

A. The Nominating Committee is to be appointed at least three months in advance of the Spaulding Oaks annual meeting.

B. The Nominating Committee shall provide nominees for election to fill vacancies on the Board of Directors at the annual meeting of Spaulding Oaks Homeowners Association.

Section 4. Special Committees

Special committees may be appointed by a vote of the Association membership, by the Board of Directors, or by the Chairman of the Board (to be reviewed at the next Board Meeting). Instructions for special committees must be in writing.
Section 5. Compensation

No Committee Chairman, Committee Member or Volunteer shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by a vote of the Board of Directors.

Article VII – Unit Owners' Rights and Obligations

Section 1. Change of Ownership or Occupancy

Unit owners who sell or change occupancy of their units shall notify the Board of Directors or Manager of such action. This information is necessary for Spaulding Oaks to keep required records up to date and accurate.

Section 2. Units and Common Elements

A. Ownership of Unit

a. Each unit owner shall be entitled to the exclusive ownership and possession of the unit of the owner. ORS 100.505(2).

b. All unit owners shall maintain an Insurance Policy covering the interior of each unit owned. The names of the Insurance Company and the agent shall be given to the Manager or Board.

c. A unit may not include any portion of the land. ORS 100.020(3)(c).

B. Interest in the Common Elements

a. Each unit has an interest in the common elements in accordance with the Oregon Condominium Act.

b. Each unit shall be entitled to a percentage of undivided interest in the common elements as expressed in the declaration.

c. The undivided interest in the common elements shall not be separated from the unit to which it appertains and shall be conveyed or encumbered with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

d. The common elements shall remain undivided and no unit owner shall bring action for partition or division of any part thereof, except as provided in the Oregon Condominium Act. Any covenant to the contrary is void.

C. Carports/Garages

a. The carport/garage buildings are limited common elements as outlined in the Declaration.
b. Each unit is assigned a carport/garage, which is numbered to correspond with the unit.

c. Any structural changes in the carport/garage or storage areas in these buildings must be approved by the Board of Directors.

d. Many of the original carparks have been converted to garages with the approval of the Board of Directors. The maintenance of these added interior wall panels and garage doors shall be the responsibility of the owners of the corresponding numbered units.

Section 3. Assessments

A. Required

a. All owners are obligated to pay monthly assessments imposed by the Association to pay for all general common expenses and reserves, which may include premiums for insurance required or permitted under these bylaws. All of the reserve funds set up pursuant to these bylaws shall be funded by allocation and payment from the monthly assessment of unit owners. The assessment of all unit owners may be increased as necessary, so the reserve fund in question can be maintained in an amount sufficient to meet the needs for which such fund was established.

b. No unit owner by the owner's own action may claim exception from liability for contribution towards the common expenses by waiver by the owner of the use or enjoyment of any of the common elements or abandonment by the owner of the owner's unit. An owner may not claim an offset against an assessment for failure of the association to perform its obligations. ORS 100.530(2)

B. When Paid

Assessments will be made monthly against unit owners. All such assessments shall be paid by the day of the month set by the Board of Directors.

C. Liability for Assessments

a. A unit owner shall be personally liable for all assessments imposed on the unit owner or assessed against the unit by the association of unit owners. ORS 100.475(1)

b. The Association of Unit Owners may place a lien upon any unit for unpaid assessments or fines over 30 days late pursuant to ORS 100.450.

D. General Operating Fund

a. The Association shall establish and maintain a General Operating Fund for the purpose of providing for the on-going general expenses. This fund will be maintained by the payment of monthly assessments chargeable to each unit in the condominium for the general common expenses, pursuant to these bylaws.
b. There shall be an adequate balance maintained in the General Operating Fund as determined by the Board of Directors with recommendations from the Finance Committee.

E. Reserve Fund

The Association shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount determined by the Directors. The reserve fund is for the purpose of effecting replacements of structural elements, mechanical equipment and other general common elements of the Condominium. Payment into this fund shall be deemed as a contribution to capital improvement as and when made. The payment required to be made to this fund may be increased from time to time by action of owners holding a majority of votes.

F. Special Reserve Funds

The Directors may set up such other special reserve funds by special assessments of the unit owners as may be required by the Declaration or otherwise determined by the Association of unit owners to be appropriate.

G. Maintenance of funds

Each reserve fund shall be kept and accounted for in a separate fund with a safe and responsible depository and, if invested, the obligation or security shall be fully guaranteed as to the principal by the United States of America or one of its agencies. No unit owner shall have individual rights in any of these reserves, although it is understood that the value of their respective units increases in proportion to each unit’s right to receive repair, maintenance and replacement there from.

Section 4. Additional Assessment for Multiple Occupancy

The common elements of Spaulding Oaks Condominium which are unrestricted in use, are for the benefit of and may be used and enjoyed by all occupants of each unit regardless of the unit’s number of occupants. However, because of the disproportionate wear and tear and demand for use of the common elements attributable to unit owners with multiple occupants, additional monthly assessments will be made to unit owners with more than two occupants. Any person who intends or for whom it is intended to make a unit his principal residence and any guest whose visit in the unit exceeds thirty (30) days during a calendar year shall be deemed an occupant for the purposes of this subsection. The additional monthly assessment shall be twenty percent (20%) of the monthly assessment for each additional person over two (2). The additional assessments shall be prorated for each additional occupant who does not reside in the unit during the entire month. No person under the age of eighteen (18) may become a permanent occupant of a unit in Spaulding Oaks. No person under eighteen (18) may visit longer than thirty (30) days a year. Each unit must have at least one permanent occupant who is fifty-five (55) years of age or older. (See Article II, Section 1, A and Article VIII, Section 3 of these Bylaws).
Section 5.   Default

Failure by an owner to pay any assessment of the Association shall be a default by such owner of his obligations pursuant to these bylaws and the Oregon Unit Ownership Law. The Association shall be entitled to a lien, which may be enforced upon compliance with the provisions of the ORS 100.450. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting owner for the use of his unit or shall be entitled to the appointment of a receiver.

Section 6.   Maintenance

A.   Owners must perform promptly all maintenance and repair work within their own unit or assigned carport/garage, which if omitted, would affect the common elements of the project or a part thereof belonging to other owners, and shall be responsible for the damages and liabilities that his failure to do so may cause.

B.   All repairs of internal installations of each unit, such as water, lights, gas, power, sewage, telephones, air conditioners and sanitary installations, doors, light fixtures and all other accessories belonging to the unit area shall be at the sole expense of the owner of such unit.

C.   An owner shall reimburse the Association for any expenditure incurred in repairing or replacing any common area and/or facility damaged through his fault not otherwise covered by the insurance policies carried by the Association for owners' and Association's benefit.

D.   It is the policy of the Association of Unit Owners that any painting of common areas shall be done as a part of the overall repainting of the condominium project or parts of the condominium project and shall be done as a part of the assessment or reserve fund use for such work. ORS 100.534.

Section 7.   Use of Family Units

A.   All living units shall be used for residential purposes only and all common elements shall be used in a manner conducive to such purposes.

B.   Maintenance and Improvements of Units

Subject to ORS 100.535 subsections (2) and (3) and any additional limitations contained in the declaration or bylaws, a unit owner:

a.   May make any improvements or alterations to the unit of the unit owner that do not impair the structural integrity or mechanical systems of the condominium or lessen the support of any portion of the condominium.

b.   Unless otherwise provided in the Declaration or Bylaws, a unit owner may not change the appearance of the common elements or the exterior appearance of a unit without permission of the Board of Directors of the Association. ORS 100.535(3).
C. Modifications and Alterations

Owners shall not make structural modifications or alterations in their unit or installations located therein without previously notifying the Board in writing, through the managing agent, if any, or through the chairman of the Board of Directors. The Board shall have the obligation to answer within forty-five (45) days, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section 8. Use of the Common Elements

An owner shall not place or cause to be placed in the lobbies, patios, decks, ramps, vestibule, sidewalks, stairways and other project areas and facilities of a similar nature, any furniture, appliances, plants, packages or objects of any kind, except that suitable furniture and pots of flowers may be placed on the decks and patios. Such areas shall be used for no purpose other than what is normal.

Section 9. Right of Entry

A. In addition to the rights granted to the Association elsewhere in the Declaration, the Bylaws, or under the Oregon Condominium Act, the Board, acting on behalf of the Association, or a manager or any other person authorized by the Board, shall have the right to enter any owner's unit or units in the case of any emergency or property damage originating in or threatening such unit(s) or other units, common elements or Association property, or requiring repairs in such unit(s) to protect public safety, whether or not the owner is present at the time. ORS 100.540(3).

B. In addition to the right of entry in A, each unit owner shall also permit such persons authorized by the Board to enter the owner's unit or units for the purpose of performing installations, alterations, maintenance, or repairs to any common element, preventing damage to the common elements, Association property, or another unit. The requests for entry should be made twenty-four hours in advance and at a time reasonably convenient to the owner. ORS 100.540(3).

C. Upon request and at reasonable times, any unit owner shall be permitted to enter and travel through areas otherwise restricted to the use of another unit owner for the purpose of maintaining or moving large objects into the area restricted in use to the unit owner making such request. The request shall be made to the unit owner whose private area will be entered. Any unreasonable refusal shall be brought to the immediate attention of the Board of Directors.

Section 10. Non-Owner Occupancy

A. If a Unit Owner chooses to have a unit occupied by a non-owner or renter, it shall be the owner's responsibility to inform the occupants about Spaulding Oaks' Rules.

B. The Unit Owner shall be responsible for any penalties, fines or assessments against the unit or occupant for non-compliance with any of these Bylaws or Restrictions.
Section 11. Occupancy Policy

A. Occupancy Agreement

Owners shall file a copy of the Spaulding Oaks Occupancy Agreement with the Manager or the Board. This Agreement shall be turned in before the renter/occupant takes possession of the unit. See Exhibit A.

B. Rules

a. The owner retains the ultimate responsibility to ensure that his/her tenant complies with the association's governing documents, even if the lease states otherwise.

b. The Unit Owner shall be responsible for any penalties, fines or assessments against the unit or occupant for non-compliance with any of these Bylaws or Restrictions.

c. It is recommended that the monthly assessment be included in the rental obligation and the owner then pay the assessment directly to the Association.

d. Owners may assign all or part of their right to the use of the Community Center to their tenant. The owner must notify the Reservation person of this action.

C. Violation and Enforcement

If it is found that the tenants are in violation of any of the Association rules and regulations after the Board has notified the owner, a fine may be levied against the owner until the condition is corrected or the rental is terminated.

Article VIII – Restrictions and Rules

Section 1. Restrictions and Rules

A. Animals

a. Only small fish and caged birds are allowed in Spaulding Oaks. The Federal Fair Housing Amendments Acts of 1988 and Title II of the American with Disabilities Acts produces an “exception to the rule” of Spaulding Oaks’ Restrictions and Rules. These two Acts defines a disability (1) as a physical or mental impairment that substantially limits one or more major life activities, (2) a record of having such an impairment; or (3) being regarded as having such an impairment.

b. The person requesting the “exception to the rule” for an animal must present a written letter to the Board of Directors for permission to have the animal. A letter of verification from a physician or therapist describing the nature of the disability and explaining precisely how the animal they are requesting will help them cope with the limitations their disability creates. The Board of Directors will respond within ten (10) days and if the request is affirmative, will provide the person with a copy of Spaulding Oaks Policy and rules.
B. Vehicles.

No trucks, campers, buses, trailers or boats etc. shall be parked or permitted to remain on the Properties beyond forty-eight (48) hours. The intent being to give a grace period for servicing, loading and unloading.

C. Occupants are not to engage in permanent baby or childcare in Spaulding Oaks units or grounds.

D. No resident of the project shall post any advertisements, posters or signs of any kind including Realtor signs in or on the project except as authorized by the Manager or Board of Directors. Political signs are prohibited.

E. Residents shall exercise extreme care about creating disturbances, making noises or using musical instruments, radios, television, amplifiers, and tools that may disturb other residents. Spaulding Oaks Residents must also abide by City Ordinances.

F. It is prohibited to hang garments, rugs and similar items from the windows, or from any of the facades, decks or terraces of the project. All outside clotheslines are prohibited. (Wind socks, chimes, decorative banners and holiday decorations are permitted within reason.)

G. It is prohibited to place garbage or trash next to the disposal installations provided for such purposes in the service areas. All such garbage and trash shall be placed inside disposal containers. All residents are encouraged to participate in the recycling programs set up by the Association.

H. No one shall install wiring for electrical or telephone installations, television antennae or air conditioning units or similar devices on the exterior of the project or cause them to protrude through the walls or the roof of the project except as authorized by the Board. No window guards, awnings or shades shall be installed without the prior consent of the Board of Directors.

I. Satellite dishes and TV antennas may be located on Spaulding Oaks Condominium property. Such installations must have the approval of the Board of Directors. The Association will dictate their placement as long as it doesn't diminish the signal, significantly raise costs or impose unreasonable delays.

J. Window coverings (curtains, drapes, blinds etc.) shall be harmonious to the outer appearance of the condominium buildings. We encourage neutral in color when viewed from outside.

K. The Spaulding Oaks Homeowners' Association pays for the electricity used in the carport/garage buildings. Any extra electricity use such as freezers, electric heaters, or power tools by the unit occupant must be reimbursed. The Policy Committee will furnish the unit occupant with the formula for finding this amount.

L. No personal property or storage in the carport/garage areas shall displace the parking of one vehicle. The parking spaces designated as general common elements in the
Declaration are intended for use by occupants with more than one vehicle and guests. Because of limited availability of the outside common element parking, established rules must be obeyed. Each unit may have the use of only one common area parking space even when unit has more than one vehicle.

M. Vehicular traffic on the streets and drives within the project shall be limited to ten (10) miles per hour as a safety precaution.

N. Bicycles, tricycles, skateboards, roller skates, roller blades or such items are not to be used anywhere on the premises with the exception of residents going and coming from Spaulding Oaks.

O. The Community Center and facilities and common 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 for use, and the conditions attendant thereto. Compliance with such rules as determined by the Board of Directors is essential to the harmonious operation of the facilities.

P. The Board of Directors may restrict the use of any 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 project as a whole and the owners of units therein. Failure by an owner or occupant (his/her family, guests or tenants) to comply with the established rules of conduct and restrictions shall be cause for which the Policy Committee and the Board of Directors may deny or restrict such owner's right to use any common element facility with respect to which such owner otherwise had a right to use.

Section 2. Non-compliance Penalties

The Oregon Condominium Laws state:

"The Association of Unit Owners may impose charges for late payments of assessments, attorney fees for collection of assessments and, after giving written notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, bylaws and rules and regulations of the association, provided that the charge imposed or fine levied by the Association is based:

(A) on a schedule contained in the declaration or bylaws, or an amendment to either that is delivered to each unit, mailed to the mailing address of each unit or mailed to the mailing addresses designated in writing by the owners, or

(B) on a resolution adopted by the board of directors or the association that is delivered to each unit, mailed to the mailing address of each unit or mailed to the mailing addresses designated by the owners in writing." ORS 100.405(4)(k).

A. Violations of Spaulding Oaks Rules or Restrictions should be reported to the Board of Directors or Policy Committee.
B. The Board of Directors and the Policy Committee shall review the Schedule of Fines and Penalties at least annually. Copies of the Schedule of Fines and Penalties shall be distributed to all unit owners and occupants.

C. Unit owners or occupants shall be notified in writing of reported violations and given a reasonable grace period as determined by the Board of Directors to correct the circumstances.

D. If the non-compliance is not corrected in the allowed grace period, a fine shall be levied upon the unit.

E. Any unit owner or occupant receiving a fine, who believes no violation occurred, may submit a written explanation to the Board of Directors. The owner shall be given an opportunity for a hearing and no enforcement fee will be imposed until after the hearing.

F. All fines and penalties shall be levied in an unbiased and equitable manner.

G. A fine system shall be established that will not become outdated. It is suggested that some percentage of the dues may be used such as fifty percent (50%), one hundred percent (100%), one hundred and fifty percent (150%), etc for various violations.

H. The Association of Unit Owners may place a lien upon any unit for unpaid fines or other assessments pursuant to ORS 100.450.

Section 3. Fines for Violation of Age and Occupancy Restrictions

As stated in the Declaration and in Article II of these Bylaws, Spaulding Oaks is intended to provide housing for persons who are fifty-five (55) years of age or older. Each unit must be occupied by at least one person who is fifty-five (55) years of age or older, and no person under the age of eighteen (18) may permanently reside in any unit. In the event of a breach of Article II or Article VII Section 4 of these Bylaws by any unit owner, the Association shall give the unit owner written notice of such breach. If such breach is not cured within thirty (30) days, the Board of Directors shall levy a fine against the unit owner amounting to two times the amount of regular monthly Association dues for that unit. This fine shall be in addition to the regular monthly dues for that unit, and shall be cumulatively imposed for each month the unit owner remains in non-compliance with the Bylaws. The Board shall have the authority to place a lien against the unit in order to ensure collection of such assessed fines.

Article IX – Insurance

The Board of Directors shall obtain and maintain at all times insurance of the type and kind, and in the amounts hereinafter 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 which insurance shall be governed by the provisions in this numbered section.
Section 1. Types of Insurance Policies

Each unit owner shall be responsible for obtaining, at his or her own expense, insurance covering his or her property not insured under Section 1.A and Section 1.B below. 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 operating fund, the following insurance:

A. A policy or policies of fire insurance with the extended coverage endorsement for the full insurable replacement value, if available, of all units and common areas 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 said policy or policies should provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees, of each Condominium, if any.

B. A policy or policies insuring the Association, its Board of Directors, the unit owners individually and the manager against any liability to the public or the owners of units and their invitees or tenants, incident to the ownership, supervision, control or use of the project. Limits of liability under such insurance shall not be less than Three Hundred Thousand Dollars ($300,000.00) for bodily injuries nor less than One Hundred Thousand Dollars ($100,000.00) for property damage in each occurrence. Such limits and coverage shall be reviewed at least annually by the Board of Directors, which may increase the limits of, and/or coverage, at its discretion. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsements wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured.

C. Workman's compensation insurance to the extent necessary to comply with applicable laws.

D. A fidelity bond naming such persons as may be designated by the Board of Directors as principals and the Association and the owners as obligees, for the amount determined by the Board of Directors. Provided, however, the Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds obtain adequate fidelity bonds. The Association shall pay the premiums on such bonds.

E. Spaulding Oaks Homeowner's Association shall maintain an Insurance Policy for the Common Elements. The unit owners shall be billed for each unit's share for this insurance.

Section 2. Insurance Companies Authorized

All policies shall be written by a company licensed to do business in Oregon and holding a "Commissioner's rating" of "A+" and a size rating of "triple AAA", or better, by Bests Insurance Reports, or as may be otherwise acceptable to all mortgagees and directors.

Section 3. Authority to Adjust Losses

All losses under policies hereafter in force regarding the property shall be settled exclusively with the Board of Directors or its authorized representative; provided, however, that where a first mortgagee has been designated as a loss payee by a unit owner, such mortgagee
shall be entitled to settle losses as to the mortgaged unit, provided that the loss which occurs is severable. Releases and proofs of loss shall be executed by at least two (2) directors.

Section 4. Prohibition of Contribution.

In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution (co-mingled) with insurance purchased by the Association, individual owners or their mortgagees.

Section 5. Value of Owner Improvements.

Owners must inform the Board of Directors of the value of improvements made to their unit in excess of three percent (3%) of the market value so that the Board of Directors may make any desired adjustments in insurance coverage. Nothing in this paragraph shall permit an owner to make improvements (capital improvements) without first obtaining the approval of the Board of Directors pursuant to Article VII, Section 7, Subsection B of these Bylaws.


The Board of Directors shall make every effort to secure insurance policies that will provide for the following:

A. A waiver of subrogation by the insurer as to any claims against the Board of Directors, the manager, the unit owners and their respective servants, agents and guests.

B. A provision that the master policy on the project cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual owners.

C. A provision that the master policy on the project cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors or the manager without prior demand in writing that the Board of Directors or the manager cures the defect.

D. A provision that any "no other insurance" clause in the master policy exclude individual owners' policies from consideration.

E. A provision that the insurer issue sub policies specifying the portion of the master policy earmarked for each owner's interest and that until the insurer furnishes written notice and a grace period to the mortgagor insured under the loss payable clause thereof, the mortgagees coverage is neither jeopardized by the conduct of the unit mortgagor—owner, the association or other unit owners nor canceled for non-payment of premiums.

F. A rider on the master policy in the nature of "Use and Occupancy" insurance which will provide relief from monthly assessments while a unit is uninhabitable by the payment of the Condominium expenses thereof and any other fixed costs, including, but without being limited to, taxes, rent, insurance and mortgage payments.

At least annually, the Board of Directors shall review all insurance carried by the Association of Unit Owners, which review shall include an appraisal of all improvements made to the project by a representative of the insurance carrier writing the master policy. ORS 100.417(3).

Article X – Indemnification of Directors, Officers, Employees and Agents

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 threatened, pending or completed action, suit or proceeding, whether 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 Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) judgments, fines and amount paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he reasonably 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 proved at a later time that said person had no right to such payments. All persons who are ultimately held liable for their action 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 may benefit from the acts which created said liability.

Article XI – Damage and Destruction

Section 1. Insurance Proceeds Sufficient to Cover Loss

In case of fire, casualty or any other damage and destruction, the insurance proceeds of the master policy, if sufficient to reconstruct the building damaged or destroyed, shall be applied to such reconstruction. Reconstruction of the damaged or destroyed buildings, as used in this paragraph, means restoring the buildings to substantially the same condition in which they existed prior to the fire, casualty or disaster, with each unit and the common area having the same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished under the direction of the manager or the Board of Directors.

Section 2. Insurance Proceeds Insufficient to Cover Loss

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 buildings for that purpose and all the unit owners shall be liable for assessment for any deficiency for such reconstruction, such deficiency to take into consideration as the owner’s contribution any individual policy insurance proceeds provided by such owner. Provided, however, if three fourths (3/4) or more in value of all the buildings are destroyed or substantially damaged and if the owners holding at least three fourths (3/4) interest in the Common elements do not, voluntarily, within sixty (60) days after such destruction or damage, make provision for reconstruction, the manager or Board of Directors shall record with the County Recorder a notice setting forth such facts, and upon the recording of such notice:

A. The project shall be deemed to be owned in common by the owners.

B. The undivided interest in the project owned in common which shall appertain to each owner shall be the percentage of undivided interest previously owned by such owner in the general common areas.

C. Any liens affecting any of the Condominiums shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the owners in the project.

D. The project shall be subject to an action for partition at the suit of any owner. If a decree of partition orders the sale of the project, the net proceeds of sale, together with the net proceeds of the policies of insurance on the project, if any, shall be considered as one fund and shall be divided among all of the owners in proportion to their respective undivided interests, after first paying, out of the respective shares of the owners, to the extent such share is sufficient for the purpose, all liens on the undivided interest in the project owned by each owner.

Section 3. Architectural Changes After Damage or Destruction

Notwithstanding all other provisions hereof, the owners may, by an affirmative vote of sufficient owners to amend these bylaws, cause an amendment to be made to the project documents so as to facilitate architectural changes that the owners affected thereby and the Association deem desirable if, and only if, the partial or total destruction of the project, or any building thereof, by fire, casualty or any other disaster is so great as to require the substantial reconstruction of the whole of the project, or said buildings. Any such amendment of such project documents shall be valid only upon (1) the recording thereof with the recording officer of Yamhill County, and (2) the recording with that recording officer of the approval thereof of each mortgagee and each other lien holder of record having a lien against any part of the project, or building, affected by such amendment. Any amendments to these bylaws must be processed through the Real Estate Division Department of Commerce State of Oregon.

Article XII – Condemnation

The Board of Directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain and to sue or defend in any litigation involving such bodies or persons with respect to the common elements of the Condominium and shall assist any unit owner whose unit or a part thereof is the subject of any condemnation or any eminent domain proceeding. Provided, however, nothing in this or any other document or agreement relating to the Condominium shall be construed to give a unit owner or any other...
party priority over the rights of the first mortgagees of any Condominium units in the case of a distribution to the unit owner of any such condemnation awards for losses to or a taking of a unit and/or any common elements.

Article XIII – Litigation

Section 1. Mediation

Before initiating litigation or an administrative proceeding in which the association and an owner have an adversarial relationship, the party that intends to initiate litigation or an administrative proceeding shall offer to use a dispute resolution program available within Yamhill County. The written offer must be hand-delivered or mailed by certified mail, return receipt requested to the address, contained in the records of the association, for the other party. The association and the owner(s) shall comply with the statutory requirements of ORS 100.405(11) regarding the dispute resolution process.

Section 2. Attorneys Fees

In the event a lawsuit or other action is commenced by the Board of Directors for the collection of any amount due pursuant to these Bylaws or for the enforcement of any provisions of the Bylaws or of the Oregon Condominium Act, the owner or owners, jointly and severally, will in addition to all other obligations 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 in the appellate proceeding to be fixed by the appellate court.

Article XIV – Mortgagees

Section 1. Notice to Association

An owner who mortgages his unit shall notify the Association through the Management Agent, if any, the Chairman of the Board of Directors, or the person designated to keep such records, of the Name and Address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units."

Section 2. Definition of Mortgagee

Mortgagee as used in these Bylaws shall include the beneficiary of a trust deed or a contract seller.

Section 3. Mortgagee Shall Respect Certain Restrictions

Any mortgagee who comes into possession of a mortgaged unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal". However, the Mortgagee shall respect Spaulding Oaks rules and restrictions concerning the occupancy of a unit. All occupants of any unit in Spaulding Oaks must comply with the Bylaws and with the administrative rules.
and regulations adopted pursuant thereto and with the covenants, conditions and restrictions in the governing documents.

Section 4. **Mortgagee Information**

For more information concerning mortgagees, see Section 18 of the Declaration.

**Article XV – Amendments to Bylaws**

Section 1. **How Proposed**

Amendments to the Bylaws may be proposed by a majority of the Board of Directors or by at least thirty percent (30%) of the owners.

Section 2. **Adoption**

The Association in a duly constituted meeting or ballot meeting called for such purpose may amend these bylaws. An amendment of the Bylaws is not effective unless approved by a majority of voting owners except for amendments relating to age restriction, pet restrictions, limitations on the number of persons who may occupy units and limitations on the rental or leasing of units which require a seventy-five percent (75%) or greater approval by the owners. ORS 100.410

Section 3. **Recording**

An amendment is not effective until a copy of the amendment, certified by the chairperson and secretary of the association of unit owners as being adopted in accordance with the bylaws and the provisions of this section, is recorded. ORS 100.410 (3)

**Article XVI – Covenants With the City of Newberg**

Section 1. **Maintenance of Common Areas**

The Association shall maintain the common areas and elements of the condominium (including open spaces, recreational facilities and access ways) in the manner necessary to meet the standard lawfully required by the City of Newberg under the authority of its ordinances, including but not limited to, ordinances relating specifically to the Condominium property. Unit owners shall be assessed sufficient amounts to assure that the maintenance of common area and elements conforms to such standards. The foregoing maintenance requirements shall continue as an obligation upon the property and the owners thereof, notwithstanding dissolution of the Association or withdrawing of the property from unit ownership.

Section 2. **Maintenance by City of Newberg**

In the event the Association is dissolved or for any other reason ceases to maintain the common areas and elements (including open spaces, recreational facilities and access ways), the City of Newberg may perform any maintenance work it reasonably deems necessary and may impose a lien upon the units, and common elements appertaining thereto, for the reasonable
value of said work. Any such lien may be enforced and foreclosed in the manner provided in the Oregon Revised Statutes. Notwithstanding any other provisions of the Declaration and Bylaws, the foregoing covenant and restriction shall not be amended, changed, revoked or terminated in whole or in part, without the express written consent of the City of Newberg.

Article XVII – Compliance With Laws

Section 1. These bylaws are intended to comply with the provisions of the Oregon Unit Ownership Law, which are incorporated herein. In case any of the provisions hereof conflict with the provisions of said statutes, the statutory provisions shall apply.

Section 2. Spaulding Oaks Condominium is intended to comply with The Housing for Older Persons Act of 1995.

Section 3. It is the intent of Spaulding Oaks Condominium to be in compliance with all applicable laws whether they be City, County, State or Federal.

It is hereby certified that these bylaws have been adopted by Spaulding Oaks Condominium, and will be recorded in the Deed Records of Yamhill County, together with the Declaration of Unit Ownership for said condominium, after said Declaration and bylaws are approved by the Assessor of said county.

Dated this 30 day of May, 2007.

[Signature]
Stephen McKinney
Board Chairman
Spaulding Oaks Condominium

State of Oregon )
) ss
County of Yamhill )

The foregoing instrument was acknowledged before me on May 30, 2007 by Stephen McKinney as Board Chairman of Spaulding Oaks Condominium, on behalf of the Spaulding Oaks Homeowners Association.

[Seal]
Irene R. Hines
Notary Public for Oregon
My Commission Expires: 4/22/2011
FIRST AMENDMENT TO THE AMENDED AND RESTATE
BYLAWS OF
SPAULDING OAKS CONDOMINIUM
FIRST AMENDMENT TO THE AMENDED AND RESTATED BYLAWS FOR
SPAUDDLING OAKS CONDOMINIUM

This Amendment to the Amended and Restated Bylaws for Spaulding Oaks
Condominium is made by the Spaulding Oaks Homeowners' Association ("Association") and is
effective on recording.

RECITALS

A. Spaulding Oaks Condominium (the "Condominium") is a condominium located in the
City of Newberg, Yamhill County, Oregon. The Condominium was established
pursuant to the Declaration of Unit Ownership for Spaulding Oaks Condominium
("Declaration") recorded in 1977 in the Yamhill County Records at Film 127, page
1813; and supplements thereto; and the Amended and Restated Declaration of Unit
Ownership for Spaulding Oaks Condominium, recorded June 8, 2007 as document
200712575 in the Yamhill County Records.

B. Association is the Spaulding Oaks Homeowners' Association, formed pursuant to the
Declaration and the Bylaws recorded concurrently therewith.

C. In addition to the Declaration, the Association is governed by the Amended and
Restated Bylaws of Spaulding Oaks Condominium, recorded June 8, 2007 as
document 200712576 the Yamhill County Records.

D. Pursuant to Article XV of the Bylaws, the Association and unit owners of the
Condominium wish to amend the Bylaws in the manner set forth below.

NOW, THEREFORE, in accordance with Article XV of the Bylaws and ORS 100.410,
with the consent or approval of owners of at least seventy-five percent (75%) of the units, the
Association hereby amends the Bylaws in the manner set forth below.
I. Article II is hereby amended to read:

Article II - Purpose

Section 1. Intent

A. It is the intent of Spaulding Oaks Condominium to provide housing for those persons who are fifty-five years of age or older.

B. Spaulding Oaks is designed as a community to welcome those of the Christian faith, designed to provide privileges of fellowship with others of like faith.

C. The use of tobacco, intoxicating liquor or illegal drugs is discouraged.

D. No one is excluded from this project on the basis of race, color, sex, religion, national origin or handicap, in compliance with Federal Laws.

Section 2. Requirements

A. Spaulding Oaks must remain in compliance with the Federal Housing For Older Persons Act (1995) regulations for fifty-five (55) years of age or older community. Each unit is to be used as a single-family dwelling with at least one resident 55 years of age or older. No person under the age of eighteen (18) may become a permanent occupant of a unit in Spaulding Oaks. The requirements set forth in this subsection A are subject to the following exceptions:

1. A surviving spouse or cohabitant under the age of 55 may remain in residence.

2. As authorized by Part IV, Department of Housing and Urban Development, 24 CFR Part 100 Implementation of the Housing for Older Persons Act of 1995, Final Rule Section 100.305 “80 percent occupancy,” upon approval of the Board of Directors, a unit may be occupied by a resident(s) under fifty-five (55) years of age, but thirty (30) years of age or older. Not more than twenty percent (20%) of all units, or a total of eleven (11) units, may be occupied without at least one resident 55 years of age or older.

   (a) Not more than four (4) units rented or leased to others, i.e. non-owner occupied, may be occupied by a resident(s) under fifty-five (55) years of age, but thirty (30) years of age or older.

   (b) Under this provision the Board of Directors shall reserve occupancy for two (2) units by a resident(s) under fifty-five (55) years of age for a surviving spouse or cohabitant who wishes to remain in residence.
B. All owners and occupants must abide by the implementation of the requirements of this Section regarding age of occupants. (See 24 Code of Federal Regulations 100.306, "Intent to operate as housing designated for persons who are 55 years of age or older.")

C. Proof of age must be provided by occupant if asked for by the Board Directors or the Policy Committee. (See 24 CFR 100.307).

D. The law protects a surviving household member or co-habitant. Upon the death of a spouse or co-habitant and the surviving spouse or co-habitant is under the age of fifty-five (55), they may remain in residence. If the under fifty-five (55) surviving spouse or co-habitant moves from the residence, the new occupants must meet the requirements in Subsection A of this section.

II. Article VII, Section 2 is hereby amended to read:

Section 2. Units and Common Elements

C. Carports/Garages
   a. The carport/garage buildings are limited common elements as outlined in the Declaration.

   b. Each unit is assigned a carport/garage, which is numbered to correspond with the unit.

   c. Any structural changes in the carport/garage or storage areas in these buildings must be approved by the Board of Directors. No garage may be converted to a carport. Upon written application by an Owner, the Board of Directors may permit conversion of a carport to a garage. The conversion shall be performed by a contractor(s) selected and retained by the Association pursuant to a design approved by the Board of Directors. All costs of the conversion including, but not limited to, design, framing, door purchase, siding, painting, and all labor shall be assessed to the Owner requesting the conversion.

III. Article VII, Section 4 is hereby amended to read:

Section 4. Additional Assessment for Multiple Occupancy

The common elements of Spaulding Oaks Condominium which are unrestricted in use, are for the benefit of and may be used and enjoyed by all occupants of each unit regardless of the unit's number of occupants. However, because of the disproportionate wear and tear and demand for use of the common elements attributable to unit owners with multiple occupants, additional monthly assessments will be made to unit owners with more than two occupants. Any person who intends or for whom it is intended to make a unit his principal residence and any guest whose visit in the unit exceeds thirty (30) days during a calendar year shall be deemed an occupant for the purposes of this subsection. The additional monthly assessment shall be twenty percent (20%) of the monthly assessment for each additional person over two (2). The additional
assessments shall be prorated for each additional occupant who does not reside in the unit during
the entire month. Each unit is to be used as a single-family dwelling with at least one resident 55
years of age or older except that, as authorized by Part IV, Department of Housing and Urban
Development, 24 CFR Part 100 Implementation of the Housing for Older Persons Act of 1995,
Final Rule Section 100.305 “80 percent occupancy” and upon approval of the Board of
Directors, a unit may be occupied by a resident(s) under fifty-five (55) years of age, but thirty
(30) years of age or older. Not more than twenty percent (20%) of all units, or a total of eleven
(11) units may be occupied without at least one resident 55 years of age or older. No person
under the age of eighteen (18) may become a permanent occupant of a unit in Spaulding Oaks.
No person under eighteen (18) may visit longer than thirty (30) days a year. (See Article II,
Section 1, A and Article VIII, Section 3 of these Bylaws).

IV. Article VII, Section 6 is hereby amended to read:

Section 6. Maintenance

A. Owners must perform promptly all maintenance and repair work within their own
unit or assigned carport/garage, which if omitted, would affect the common elements of the
project or a part thereof belonging to other owners, and shall be responsible for the damages and
liabilities that his failure to do so may cause.

B. All repairs of internal installations of each unit and carport/garage, such as water,
lights, gas, power, sewage, telephones, air conditioners and sanitary installations, doors, light
fixtures and all other accessories belonging to the unit area shall be at the sole expense of the
owner of such unit.

C. An owner shall reimburse the Association for any expenditure incurred in
repairing or replacing any common area and/or facility damaged through his fault not otherwise
covered by the insurance policies carried by the Association for owners' and Association's
benefit.

D. It is the policy of the Association of Unit Owners that any painting of common
areas shall be done as a part of the overall repainting of the condominium project or parts of the
condominium project and shall be done as a part of the assessment or reserve fund use for such
work. ORS 100.534.
V. Article VIII, Section 1 is hereby amended to read:

Section 1. Restrictions and Rules

A. Animals

Animals shall be permitted as provided in a Resolution of the Spaulding Oaks Homeowners Association. Such Resolution shall be adopted and/or amended upon seventy-five percent (75%) or greater approval by the owners.

VI. Article VIII, Section 3 is hereby amended to read:

Section 3. Fines for Violation of Age and Occupancy Restrictions

As stated in the Declaration and in Article II of these Bylaws, Spaulding Oaks is intended to provide housing for persons who are fifty-five (55) years of age or older. Each unit is to be used as a single-family dwelling with at least one resident 55 years of age or older except that, as authorized by Part IV, Department of Housing and Urban Development, 24 CFR Part 100 Implementation of the Housing for Older Persons Act of 1995, Final Rule Section 100.305 “80 percent occupancy”, and upon approval of the Board of Directors, a unit may be occupied by a resident(s) under fifty-five (55) years of age, but thirty (30) years of age or older. Not more than twenty percent (20%) of all units, or a total of eleven (11) units may be occupied without at least one resident 55 years of age or older. No person under the age of eighteen (18) may become a permanent occupant of a unit in Spaulding Oaks. In the event of a breach of Article II or Article VII Section 4 of these Bylaws by any unit owner, the Association shall give the unit owner written notice of such breach. If such breach is not cured within thirty (30) days, the Board of Directors shall levy a fine against the unit owner amounting to two times the amount of regular monthly Association dues for that unit. This fine shall be in addition to the regular monthly dues for that unit, and shall be cumulatively imposed for each month the unit owner remains in non-compliance with the Bylaws. The Board shall have the authority to place a lien against the unit in order to ensure collection of such assessed fines.

SPHAULDING OAKS HOMEOWNERS’ ASSOCIATION

By: 
President

By: 
Secretary

PAGE 5 – FIRST AMENDMENT TO THE AMENDED AND RESTATED BYLAWS OF SPAULDING OAKS CONDOMINUM
CERTIFICATION

The undersigned President and Secretary of the Association hereby certify that the foregoing First Amendment to the Amended and Restated Bylaws of Spaulding Oaks Condominium was adopted in accordance with the Declaration, Bylaws and ORS 100.410 of the Oregon Condominium Act.

By:

President

STATE OF OREGON )
) ss.
County of Washington )

The foregoing instrument was acknowledged before me this 16th day of October, 2013, by

Frederic Govegne, President of SPAULDING OAKS HOMEOWNERS’ ASSOCIATION, on its behalf.

Alexandra Nelson
Notary Public for Oregon

By:

Secretary

STATE OF OREGON )
) ss.
County of Washington )

The foregoing instrument was acknowledged before me this 16th day of October, 2013, by

Daniel Stahlmann, Secretary of SPAULDING OAKS HOMEOWNERS’ ASSOCIATION, on its behalf.

Alexandra Nelson
Notary Public for Oregon

PAGE 6 – FIRST AMENDMENT TO THE AMENDED AND RESTATED BYLAWS OF SPAULDING OAKS CONDOMINIUM