

**BYLAWS**  
**Of**  
**ARBOR LAKE TOWNHOME ASSOCIATION**  
A Non-Profit Oregon Corporation  
Revised 11/17/04

1.0 Membership

Until changed by amendment of the Articles of Incorporation of the Arbor Lake Townhome Association (hereafter referred to as the Association) and these Bylaws, membership in this Association shall be:

1.1 Members. Each owner shall be a member of the Association subject to the bylaws; provided that the purchasers of a parcel of real property under a duly recorded contract shall be deemed the owner of such real property for such purposes. Each member shall be entitled to one vote per residential unit owned by such member provided that if two or more members shall own any residential unit by any form of co-tenancy, such ownership is entitled to one vote. The vote of such residence location shall be exercised as they among themselves determine, or if they are unable to agree, they may cast fractional votes proportionate to their ownership interest but in no event shall more than one vote be cast with respect to any one residence location.

The rights and privileges of membership shall terminate when the holder of any such membership shall cease to qualify as an owner.

1.2 Associate Members. Each lessee, renter, or other occupant of a residential unit subject to the Covenants, Conditions and restrictions for the Association not eligible for proprietary membership but who satisfies the conditions of the Bylaws of the corporation and of the Covenants, Conditions and Restrictions applicable to the Townhome Association respecting residency in the properties shall be an associate member which status shall continue in effect during such period as the associate member shall be an authorized non-proprietary tenant of a residential unit in the properties. Associate memberships shall carry all the rights and privileges of a proprietary membership except the right to vote. Any time an associate member shall cease to be a resident of the properties area or shall become a proprietary member, his rights and privileges as an associate member shall terminate.

2.0 Meetings

2.1 Annual Meetings. The annual meeting of the members shall be held on the third Tuesday of each April. All meetings of members shall be held at such place within the County of Clackamas, State of Oregon, as shall be stated in the said notice.

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- 2.2 Special Meetings. Special meetings of the members may be called by the president or the Board of Directors (hereafter referred to as the Board).
- 2.3 Notices. Written or printed notices stating the place, day and hour of the annual and any special meetings, and in the case of special meetings, the purpose or purposes for which the meeting is call, shall be delivered not less than seven (7) nor more than fifty (50) days before the date of the meeting of the members, either personally or by mail, or at the direction of the president, or the secretary, or the officers or persons calling the meeting, to each member entitled to vote at the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage fully prepaid thereon, addressed to the member at his most recent address as it appears on the records of the Association.
- 2.4 Quorum in Voting. The vote of a majority of the members or voting units present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by members. Twenty percent of those entitled to vote shall constitute a quorum, and for this purpose, eligible voters must be present and proxies from eligible voters shall be added together.

### 3.0 Directors.

- 3.1 Number, Election and Tenure. The property and affairs of the corporation shall be managed and controlled by a Board of Directors the membership of which shall consist of nine (9) persons who shall have been duly elected from among the members of the Association. At each annual meeting, three (3) directors shall be elected for a three (3) year term. Directors shall serve during their respective term and until their respective successors have been elected and qualified. Directors may serve a maximum of two (2) consecutive terms.
- 3.1.1 Any vacancy on the Board shall be filled for the remainder of that Director's term, through appointment by the remaining directors.
- 3.1.2 During the existence of any vacancy, the remaining directors shall possess and may exercise all powers vested the Board.
- 3.2 Regular Meetings of Directors. A regular meeting of the Board shall be held immediately following the annual meeting of the membership and at the same

place. Other regular meetings of the Board may be held without notice at such times and places as the Board by resolution may determine.

- 3.3 Special Meetings of Directors. Special meetings of the Board may be called from time to time by the president or by any two (2) directors.
- 3.4 Notices. The secretary or designated agent shall give written notice of a special meeting of the Board by mailing such notice by United States mail to the respective directors at their last known post office address at least five (5) days prior to the date of such meeting. No notice of any regular meeting need be given. Directors may waive notice of meetings of the Board, and a waiver thereof signed by the director entitled to notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except in event the director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- 3.5 Quorum in Voting. A majority of the members of the Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. When a quorum exists, action may be taken by the majority vote of the directors present.
- 3.6 Liability. A member of the Board or an officer of the Association shall not be liable to the Association or any member thereof for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, except for gross negligence or intentional misconduct. In the event any member of the Board or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall indemnify such individual against liability and expenses incurred.

#### 4.0 Officers and Agents

- 4.1 Executive Officers. The officers of the Association shall consist of a president, one or more vice-presidents as the Board may from time to time determine, a secretary, and a treasurer, and such assistant secretaries and/or assistant treasurers as the Board may designate. Any two (2) or more offices may be held by one person except the offices of president and secretary.
- 4.2 Election of Officers. The officers of the Association shall be elected by the Board at each regular annual meeting. All officers except the secretary shall be members of the Board, and the secretary may be a director. In the event of the failure to hold any annual meeting as herein provided, officers may be elected at any time thereafter at a special meeting of the Board called for that purpose.

- 4.3 Each officer shall hold office for the term of one year or until his successor shall be elected and qualified. Each officer and agent shall be subject to removal at any time by a vote of the majority of the entire Board whenever in the judgment of the Board the best interests of the corporation will be served by such removal.
- 4.4 Vacancies. A vacancy in any office shall be filled by the Board at any regular meeting or a special meeting called for that purpose.
- 4.5 Employees and Agents. The Board shall be empowered to employ such employees and agents and to execute such contracts as it may deem necessary to properly carry out its objects and purposes as stated in the Articles of Incorporation and in these Bylaws.
- 4.6 President. The president shall be the chief executive officer and shall have general and active charge of the management of the Association, subject to control by the Board. When present, he shall preside at all meetings of the Board. The president shall have power to appoint and discharge agents and employees, subject to the approval of the Board.
- 4.7 Vice-President. The vice-president shall in the absence or disability of the president exercise the powers and perform the duties of the president. The vice-president shall also exercise such other powers and perform such other duties as shall be prescribed by the Board.
- 4.8 Secretary. The secretary shall give such notice of meetings to the Board as required by the Bylaws and shall keep a record of the proceedings of all such meetings. The secretary shall have custody of all books and records and papers of the corporation except those which are in the care of the treasurer or some other person designated to have custody and possession thereof by resolution of the board. The secretary is authorized to sign with the president or vice-president in the name of the Association all official documents, papers, deeds and contracts including those in any way affecting the property or interests of the corporation and shall affix the seal of the corporation thereto. The secretary shall submit such reports to the Board as may be requested by it from time to time. An assistant secretary may, if authorized by the Board, perform the duties of the secretary in event of the absence or inability of the secretary.
- 4.9 Treasurer. The treasurer shall account for all of the monies of the Association received and disbursed, and shall be responsible to see that all the monies are deposited in the name of and to the credit of the Association in such banks and depositories as the Board may designate, subject to withdrawal in the manner determined by the Board; and subject to the Board, shall safely keep all valuables of the Association. The treasurer shall from time to time make such reports to the officers and Board as may be required, and shall perform such other duties as the Board may from time to time delegate. An assistant treasurer may, if authorized

by the Board, perform the duties of the treasurer in event of the absence or inability of the treasurer.

## 5.0 Covenants and Service Assessments

- 5.1 Each owner of any residential unit within the Association by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay monthly assessments as established by the board.
- 5.2 The Board of the Association may from time to time adjust, either by increase or decrease, the monthly assessment rate as they determine to be appropriate. Increases or decreases in the monthly assessment shall be uniformly applied as proportionate changes to the current assessments then in effect.
- 5.3 The Board shall be responsible to establish a budget to be effective the beginning of each calendar year. This budget shall include the operating costs and contributions to reserve accounts as deemed necessary for the successful operation of the association. Notice of the assessment for the following year shall be mailed to the homeowners at least thirty days prior to the beginning of the new calendar year.
- 5.4 The monthly assessments levied by the Association shall be collected by the Association through its Board of Directors and shall be held only for the purpose of providing exterior maintenance of the residential units owned by the members of the Association (as the term "exterior maintenance" is defined by the Board and documented in the Homeowners Handbook), maintenance of the common areas vested in the Association, and for the payment of insurance premiums on coverage As mandated by Oregon Revised Statutes 100.435 and the Conditions and Restrictions of the Arbor Lake Townhome Association.
- 5.5 The monthly assessments as provided by this section, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the residential unit and shall be a continuing lien upon the residential unit against which each such assessment is made. Assessments may be collected on a monthly basis or such other basis as the Board of the Association shall determine. Each such assessment, together with interest if the assessment is delinquent as defined in the Homeowners Handbook, costs, and reasonable attorney's fees, shall be the personal obligation of the person who was the owner of such residential unit at the time the assessment fell due. Any assessment not paid shall be delinquent if not paid within the time stated in the Homeowners Handbook. The assessment shall bear interest from the date of the delinquency at a rate set periodically by the Board. The Association, as agent of the owners, may bring an action at law against the owner personally obligated to pay the amount due, and/or foreclose the lien against the assessed residential unit. The accrued and unsatisfied personal obligation of a previous owner shall not pass to that

owner's successors in title except to the extent provided in 5.8 below or unless expressly assumed by them.

- 5.6 The monthly assessments as provided in the Article shall commence as to respective residential on the first day of the month following the conveyance of title to the purchaser. Written notice of any change in the monthly assessments shall be sent to each owner subject thereto, insofar as the identity and mailing address of such owner is known to the Board of the Association. Upon demand of the owner or owners of a specified residential unit, the Association shall furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on that residential unit have been paid. A reasonable charge may be made by the Board of the Association for the issuance of such certificate. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. Assessments paid shall be expended by the Association only when it has billed, or has received a bill, for property or services provided by it or others, which are within the scope of the purposes for the assessments, set forth in these Bylaws. The Association shall not expend any paid assessments for any other purposes, and no owner shall have any personal interest in assessments paid, or levied but unpaid, nor any right to withdraw or assign any portion of accrued and unexpended assessments on hand with the Association.
- 5.7 The following property subject to this declaration shall be exempt from the assessments created herein:
- (a) All properties expressly dedicated to and accepted by a local authority;
  - (b) The common areas;
  - (c) All properties owned by the Charbonneau Country Club.
- 5.8 The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages. Sale or transfer of any residential unit shall not affect the assessment lien. However, the recording of a deed or other conveyance pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which become due prior to such recordation of deed or other conveyance. No sale or transfer shall relieve such residential unit from liability for any assessments thereafter becoming due or from the lien thereof.
- 5.9 In the event of the dissolution of the Association, all unexpended assessments shall be disbursed in their entirety by the Association for the purposes set forth in the Articles of Incorporation. recordation of deed or other conveyance. No sale or transfer shall relieve such residential unit from liability for any assessments thereafter becoming due or from the lien there.

## 6.1 Amendments

Proposals to amend these Bylaws may be voted on at any regular meeting of the Board or any special meeting of the Board called for that purpose. A majority of the directors shall be required for any proposed amendments of the Bylaws provided at least a quorum of the Board is present. Amendments may also be proposed by a written petition signed by at least thirty (30%) of the unit homeowners. Once proposed by either of the above procedures, the amendment(s) must be approved (ratified) by a majority of the unit owners. If the amendment pertains to age restrictions, pet rules, occupancy limits, or the right to rent a unit, the ratification will require, by state law, at least seventy-five (75%) of the unit owners in favor.

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