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BYLAWS OF HIGHLANDS AT FOREST PARK OWNERS ASSOCIATION

ARTICLE I

Name of Office

1. Name: of the corporation is HIGHLANDS AT FOREST PARK OWNERS ASSOCIATION, referred to as the "Association."
2. Principal Office: The principal office of the Association shall be at such location as the directors may designate

ARTICLE II

Definitions

1. "Association" shall mean and refer to HIGHLAND AT FOREST PARK OWNERS ASSOCIATION, its successors and assigns
2. "Common Area" shall mean and refer to all property in HIGHLAND AT FOREST PARK owned or maintained by the Owners Association for the common use and enjoyment of the Owners, specifically Tract A - E as shown on the recorded plat, and the entry improvements constructed by Developer. Open Space may also include any improvements for the benefit of all Owners that may be created or constructed by the Owners or the Association in the future, subject to approval by the City of Portland.
3. "Declarant" shall mean and refer to VENTURE PROPERTIES, INC. its successors and assigns.
4. "Declaration" shall mean and refer to the Declaration of Protective Covenants applicable to the Property recorded in Multnomah County, Oregon
5. "Lot" shall mean and refer to any numbered parcel of land designated for residential use within and identified on the plat of HIGHLANDS AT FOREST PARK
6. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.
7. "Owner" shall mean and refer to the owner of record, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Properties, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.
8. "Property" shall mean and refer to the duly recorded plat of HIGHLAND AT FOREST PARK as further described in the Declaration of HIGHLAND AT FOREST PARK Protective Covenants.
9. "Turn Over" shall mean the date on which Declarant turns over the administrative responsibilities of the Association to the Owners
10. "Voting Membership" shall mean and refer to that specified in the Declaration

ARTICLE III

Meetings of Members

1. Annual Meeting: The first meeting of the Association shall be held in the calendar year following the calendar year of the Turn Over. The regular annual meeting of the Association shall be held in January of each year thereafter at such date and time as may be prescribed by the Board of Directors

2. Special Meetings: Special Association Meetings: A special meeting of the Association may be called at any time by the President or by any two (2) members of the Board of Directors. After the Turn Over, a special meeting may also be called upon receipt of a written request stating the purpose of the meeting from ten percent (10%) of the voting membership of the Association.
3. Notice of Meeting: Written notice stating the place, day and hour of the meeting and, in the case of a special meeting; the purpose or purposes for which the meeting is called, shall be delivered not less than seven (7), nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary/Treasurer, or the persons calling the meeting, to each Lot Owner. 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's address appearing on the books of the Association or supplied by such member to the Association for the purpose of notice.
4. Quorum: Those members present or by proxy at any annual or special meeting of members constitute a quorum at the meeting except where a greater number is required by the Declaration, or these Bylaws.
5. Special Quorum Requirements: The presence at any meeting in person or by proxy of seventy-five percent (75%) of the voting membership shall constitute a quorum for action on the following matters:
 - Merger and Consolidations
 - Mortgage of the Common Properties
 - Dedication, sale or transfer of any part of the Open Space
6. Proxies: Voting may be in person or by proxy executed in writing and filed with the Secretary/Treasurer. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy, and every proxy shall automatically cease upon termination of membership.
7. Majority Vote: The vote of a majority of the votes entitled to be cast, as specified in Article 4, paragraph 2 of Declaration, by the members 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 the members, unless a greater proportion is required by these Bylaws or the Declaration.
8. Place of Meeting: Meetings shall be held in either Washington, Multnomah or Clackamas Counties.

ARTICLE IV

Board of Directors

1. Number: The affairs of this Association shall be managed by a Board of three (3) Directors appointed by Declarant until the Turn Over of the Association. After the Turn Over, the Board of Directors shall consist of no less than three (3), nor more than five (5) members.
2. Term: The Directors named in the Articles of Incorporation shall serve until the Turn Over, unless removed by Declarant. At the first meeting, after the Turn Over, the members shall elect no less than three (3), nor more than five (5) directors. The number of directors and their terms of office shall be set by each Board of Directors prior to the annual meeting.
3. Removal: Any Director may be removed from the Board, with or without cause, by a majority of vote of the voting membership of the Association, excepting only that the Board of Directors appointed by Declarant may not be removed by members prior to the Turn Over. In the event of death, resignation or removal of a Director, a successor may be elected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4. Compensation: No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of duties with the approval of the Board of Directors.
5. Action Taken Without a Meeting: In the absence of a meeting, Directors shall have the right to take action which could have been taken at a meeting, by obtaining the written approval of all of the Directors.
6. Nomination of Directors: Nomination for election to the Board of Directors may be made by a Nominating Committee appointed by the President prior to each annual meeting after Turn Over. The report of the Nominating Committee shall be included in the notice of the annual meeting. Nominations may also be made from the floor.
7. Election: Election to the Board of Directors shall be written ballot. At such election, the voting membership or their proxies, may cast in respect to each vacancy the vote they are entitled to exercise. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. No elections shall take place until after Turn Over.

ARTICLE V

Meetings of Board of Directors

1. Meetings: After Turn Over, within ten (10) days after each annual meeting of the members, the Directors elected at such a meeting, and those holding over, shall hold an organization meeting for the purpose of electing officers as hereinafter provided and for transaction of such other business as may come before the Board. If all Directors are present at the time and place of meeting, no prior notice of such meeting shall be required to be given to the Directors. All other meetings of the Board shall be held at such place and time as directed by the Board or other persons calling the meeting.
2. Special Board Meetings: Special meetings of the Board of Directors may be called by the President, or by any two (2) Directors, after not less than three (3) days notice to each Director.
3. Quorum: A majority of the Directors shall constitute a quorum. The action of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors.

ARTICLE VI

Powers and Duties of the Board of Directors

1. General Powers: The Board of Directors shall have power to:
 - a) Adopt and publish rules and regulations governing the use of the Open Space, personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.
 - b) Impose interest during any period in which such member shall be in default in the payment of any assessment levied by the Association.
 - c) Exercise for the Association, all powers, duties and authority vested in or delegated to this Association for the purpose of maintaining the Open Space, Public Right of Way Improvements or otherwise promoting the general benefit of the Owners within HIGHLAND AT FOREST PARK.
 - d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.
 - e) Employ an independent contractor, or such other persons as deemed necessary for maintenance of Common Areas and Easement Areas, and to prescribe their duties and fix their compensation.
 - f) Levy assessments in accordance with the Declaration

- g) Claim a lien against any property for which assessments and or fines are not paid within thirty (30) days after date of final notice, or to bring an action at law against the Owner personally obligated to pay the same. To enforce said lien, assessment or fine by sale by the Association or an organization authorized by the Association, in accordance with the provisions of Article 4, paragraph 2 of the Declaration, and the laws of jurisdiction.
- h) Enforce the provisions of the Declaration including Architectural Control.
- i) Employ a management company, as it deems necessary, to assist in the management duties of the Association.

1. Duties: It shall be the duty of the Board of Directors to:

- a) Cause to be kept a complete record of all of its acts and the proceedings of its meetings and to cause to be presented at the annual meeting of the members a report reviewing the business and affairs of the Association for the year.
- b) Issue, or to cause an appropriate office to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- c) Procure and maintain adequate liability and hazard insurance on property owned, leased or otherwise used by the Owners in the Association.
- d) Cause the Common Areas and any improvements thereon to be maintained.
- e) Procure and maintain insurance protecting the Board of Directors and committee members appointed by the Board against liability in the course of their duties as outlined herein and in the Declaration.
- f) File Association Tax Returns.

ARTICLE VII

Officers

1. Officers: The offices of this Association shall be a President, Vice President, Secretary/Treasurer who shall at all times be members of the Board of Directors. The Board of Directors may appoint an Assistant Secretary or an Assistant Treasurer by resolution entered on its minutes. The Officers shall be appointed by Declarant and serve until the Turn Over unless replaced by Declarant. After the Turn Over, the Officers shall be elected at the organization meeting of the Board of Directors each year, and the term of office shall be for a period of one (1) year and until their successors are elected and assume office, unless such officer resigns or is removed.
2. Resignation and Removal: Any officer may be removed from office with or without cause by the Board. Prior to turning over the administrative responsibilities of the Association to the homeowners, Declarant may remove any officer with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary/Treasurers. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
3. Vacancies: A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.
4. President: The President shall preside at all meetings of the members of the Association and of the Board of Directors. The President shall sign for the Association such contracts and other documents as may be

authorized by the Board of Directors to sign, and shall perform all acts and duties usually performed by a President or as prescribed by the Board of Directors.

5. Vice President: In the absence or disability of the President, the Vice President shall preside and perform the duties of the President. The Vice President shall also perform such other duties as may be delegated by the Board of Directors.
6. Secretary/Treasurer: The Secretary/Treasurer shall record the votes and shall keep, or cause to be kept, the minutes of all meetings and proceedings of the Board and of the members, keep the corporate seal of the Association and affix it on all papers requiring said seal, serve notice of meetings of the board and of the members, keep appropriate current records showing the Owners of Lots together with their addresses, and shall perform such other duties as required by the Board. The Secretary/Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, keep proper books of account, cause an annual audit of the Association books to be made prior to the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE VIII

Committees

The Board of Directors may appoint such other committees as it, in its discretion, deems necessary to assist in the operation of the affairs of the Association including, without limitation, a Maintenance Committee, an Audit Committee and an Architectural Control Committee. Committee members need not be members of the Board of Directors.

ARTICLE IX

Books, Records and Seal

1. Inspection by Members: The books, records and papers of the Association shall, at all times during reasonable business hours, be subject to inspection by any member.
2. Corporate Seal: The corporate seal of the Association shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation and the year of incorporation.
3. Execution of Corporate Documents: When the execution of any instrument has been authorized by the Board of Directors without specifying the executive officer, such instrument may be executed by any two of the following officers: The President, Vice President, Secretary/Treasurer. The Board of Directors may, however, authorize any one of such officers to sign any of such instruments for and on behalf of the Association, and may designate officials or employees of the Association other than those named above who may sign such instrument.

ARTICLE X

Assessments

As more fully provided in the Declaration, each Lot Owner is obligated to pay the Association monthly or special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of two percent (2%) per annum above the prevailing prime rate at the time, and the Association may bring an action at law against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Declarant shall not be assessed nor be required to pay any assessment until the Turn Over. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Open Space or abandonment of his Lot.

ARTICLE XI

Amendments

1. These Bylaws may be amended by a majority of the Board members or at a regular or special meeting of the membership by seventy-five percent (75%) of the voting membership present in person or by proxy, provided that notice of the amendment had been included in the notice of the meeting.
2. Any matter stated in these Bylaws to be or which is in fact governed by the Declaration may not be amended except as provided in such Declaration. In the case of any conflict between such Declaration and these Bylaws, the provisions of the Declaration shall control.

ARTICLE XII

Miscellaneous

1. The fiscal year of the Association shall begin on the first day of January and end on the last day of December of each year, except that the first fiscal year may begin on the date of incorporation.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has hereunto set its hand this 23rd day of July, 1997.

VENTURE PROPERTIES, INC

By: *Don Morissette*
Don Morissette, President

ACKNOWLEDGEMENT

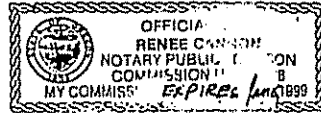
State of Oregon

County of Multnomah

THIS IS TO CERTIFY: That on this 23rd day of July, 1997, before me, a Notary Public in and for said county and state, personally appeared Don Morissette, who being first sworn did say that he is the identical person named in and described in the foregoing instrument and this, the Certificate thereto, and they did declare the act of affixing their signature to the said instrument to be the free and willful acts and deeds of said Corporation.

Renee Cannon My Commission Expires Jan 15, 1999

After recording return to:
Venture Properties Inc
5000 SW Meadows Road
Suite 151
Lake Oswego, Oregon 97035



No 039788

JULY 28 1997