



After Recording Return to:

→ Caldera Cabins Owners' Sub-Association, Inc.  
P.O. Box 3609  
Sunriver, Oregon 97707  
Attn.: Catherine Smith

**BYLAWS OF  
CALDERA CABINS OWNERS' SUB-ASSOCIATION, INC.**

These Bylaws shall be binding upon the owners of property within the Caldera Cabins Owners' Sub-Association, Inc., including that which is described on attached **Exhibit A** and any other property that is subsequently annexed in to the Association as provided in the Declaration.

**ARTICLE I  
NAME AND LOCATION**

The name of the Association is Caldera Cabins Owners' Sub-Association, Inc., hereinafter referred to as the "**Association**." The initial registered office of the Association shall be located at 17730 Caldera Springs Drive, P.O. Box 3609, Sunriver, Oregon 97707, but meetings of members and directors may be held at such places within the State of Oregon as may be designated by the Board of Directors.

**ARTICLE II  
DEFINITIONS**

**2.1 "Articles"** shall mean the Articles of Incorporation of the Association filed with the Corporations Division of the Oregon Secretary of State, as amended from time to time.

**2.2 "Association"** shall have the meaning given in the introductory paragraph to these Bylaws.

**2.3 "Board"** shall mean the Board of Directors of the Association constituted in accordance with Article V of these Bylaws.

**2.4 "Declarant"** shall mean Caldera Springs Village LLC, an Oregon limited liability company, and/or its successors and assigns who are designated in writing as such by Declarant, and who consent in writing to assume the duties and obligations of Declarant with respect to the Lots acquired by each successor or assign.

**2.5 "Declaration"** shall mean and refer to the Declaration of Protective Covenants, Conditions and Restrictions for Caldera Cabins, recorded of even date herewith in the official records of Deschutes County, Oregon, and any amendments or supplements thereto made in accordance with its terms.

**2.6 "Director"** shall mean a member of the Board as described in and appointed or elected in accordance with these Bylaws.

**2.7 "Master Association"** shall mean Caldera Springs Owners' Association, Inc., an Oregon nonprofit corporation.

**2.8 "Master Association Bylaws"** shall mean those certain Bylaws of the Master Association recorded on February 17, 2006 in the official records of Deschutes County, Oregon as Document No. 2006-11384, and any amendments thereto made in accordance with the terms thereof.

**2.9 "Master Declaration"** shall mean that certain Declaration of Protective Covenants, Conditions and Restrictions for Caldera Springs recorded on February 17, 2006 in the official records of Deschutes County, Oregon as Document No. 2006-11383, and any amendments or supplements thereto made in accordance with the terms thereof.

**2.10 "Member" or "Members"** shall mean Declarant and every record owner, whether one (1) or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation. There shall be two classes of membership, as defined in these Bylaws.

**2.11 "Officer"** shall mean an officer of the Association as described in and elected or appointed in accordance with these Bylaws.

**2.12 "Plat"** shall mean the duly recorded plat of Caldera Cabins recorded in the official records of Deschutes County, Oregon at 2007-50992, and any other recorded plats of real property brought within the jurisdiction of the Association pursuant to the terms of the Declaration and made subject to the Declaration.

**2.13 "Turnover Meeting"** shall be the meeting called by Declarant for the purpose of turning over administrative responsibility of the Association to the Class A Members, all in accordance with the Declaration and applicable law.

**2.14 Other Terms.** Capitalized terms used herein without definition shall have the respective meanings given to them in the Declaration.

### **ARTICLE III**

#### **DESIGNATION AS SUB-ASSOCIATION; MEMBERSHIP AND VOTING RIGHTS**

**3.1 Designated Sub-Association.** The Association shall constitute a "Sub-Association" (as defined in the Master Declaration) pursuant to the Master Declaration established for the purpose of governing the administration of the Lots, Residences, Common Areas and Common Maintenance Areas. The terms of these Bylaws are and shall remain subordinate to and subject to the terms of the Master Declaration and Master Association Bylaws.

**3.2 Membership.** Declarant and every Owner of a Lot by virtue of being an Owner of a Lot shall be a Member of the Association and of the Master Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot. Such membership shall commence, exist, and continue simply by virtue of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

**3.3 Suspension.** All voting rights of a Member shall be suspended during any period in which such Member is delinquent in the payment of an assessment duly established pursuant to the Declaration or the Master Declaration or is otherwise in default hereunder or under the Declaration, Master Declaration, Master Bylaws or any rules and regulations promulgated under any of the foregoing documents (the "**Rules and Regulations**") of the Association. The Board may also suspend a Member's right to use of any of the Common Areas during such period of default.

**3.4 Voting Rights for Association.** The Association shall have two classes of voting membership:

**3.4.1 Class A.** Prior to the Conversion Date, Class A Members shall be all Owners except for Declarant. On and after the Conversion Date, Class A Members shall be all Owners, including Declarant. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members, but the vote for such Lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any Lot. If the co-Owners of a Lot cannot agree upon the vote, the vote of the Lot shall be disregarded in determining the proportion of votes with respect to the particular matter at issue.

**3.4.2 Class B.** The Class B Member shall be the Declarant, who shall be entitled to three (3) votes for each Lot it owns until the Conversion Date at which time the Class B Membership shall be converted to a Class A Membership

**3.5 Voting Rights for Master Association.** Notwithstanding the foregoing, the Association shall exercise all of the voting rights of the Lots with respect to matters relating to the Master Association pursuant to the terms of the Master Declaration. The Board shall have the right, but not the obligation, to conduct a vote of Association members prior to casting votes pursuant to the Master Declaration and/or Master Association Bylaws.

#### **ARTICLE IV PROPERTY RIGHTS; RIGHTS OF ENJOYMENT**

Subject to any easements affecting a Member's Lot, each Member shall be entitled to the exclusive use and enjoyment of such Member's Lot and to the non-exclusive use and enjoyment of the Common Areas, as provided in the Declaration and the Master Declaration, as applicable.

**ARTICLE V**  
**BOARD OF DIRECTORS; ELECTION; TERM OF OFFICE**

**5.1 Number.** The affairs of the Association shall be managed by a Board of three (3) Directors prior to the Turnover Meeting and three (3) Directors after the Turnover Meeting. The Directors need not be Members of the Association prior to the Turnover Meeting but shall be Members of the Association after the Turnover Meeting.

**5.2 Appointment by Declarant Prior to Turnover Meeting.** Until the Turnover Meeting, Declarant shall appoint all Directors, and may remove and replace any Director, with or without cause, except that Declarant may revocably or irrevocably delegate the power to appoint, remove and replace Directors hereunder by written instrument delivered to the Association naming the party to whom the power to appoint Directors has been delegated. At and after the Turnover Meeting, the Directors shall be elected in the manner provided in Section 5.3. Voting for Directors shall not be cumulative.

**5.3 Election of Directors.** At the Turnover Meeting, the Members shall elect two (2) Directors for a term of two (2) years, and three (3) Directors for a term of one (1) year, with each Owner entitled to the votes specified in Section 3.4 above. Thereafter, at each subsequent annual meeting of the Association, the Members shall elect a number of Directors equal to the number whose terms are then expiring, each to serve a term of two (2) years. Any Director may serve more than one term.

**5.4 Term of Office.** On the date of the Turnover Meeting, the Directors appointed by Declarant or its appointee shall submit their resignations, effective as of the Turnover Meeting. The Directors elected at any meeting held for the purpose of election of Directors, except to replace a Director who leaves his or her position prior to the expiration of his or her term, shall assume all of the duties of office at the meeting at which he is elected, at which time the resignation of the Directors in office prior to such meeting shall become effective, and they shall have no further powers as Directors.

**5.5 Removal.** Any Director, other than a Director appointed by Declarant, may be removed, with or without cause, by the affirmative majority vote of Owners present and entitled to vote at any meeting of the Owners at which a quorum (as defined in Section 10.5) is present. Removal of a Director is only effective if the matter of removal was included in the notice of the meeting. At such meeting, the Owners shall elect a replacement Director to serve the remainder of the replaced Director's term.

**5.6 Resignation.** Any Director may resign at any time by sending a written notice of such resignation to the secretary. Unless otherwise specified in such notice, a resignation shall take effect upon receipt of the notice by the secretary.

**5.7 Vacancies Caused by Death, Resignation or Disqualification.** Vacancies on the Board caused by the death or resignation of a Director or the disqualification of a Director, shall be filled by the affirmative vote of the majority of the remaining Directors, even if they constitute less than a quorum. Any Director so elected shall serve the remainder of the

replaced Director's term. Vacancies on the Board caused by the removal of a Director pursuant to Section 5.5 above shall be filled in accordance with the procedures set forth in Section 5.5 above.

**5.8 Compensation.** No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his or her actual expenses reasonably incurred in the performance of his or her duties.

## **ARTICLE VI MEETINGS OF BOARD**

**6.1 Initial Meeting.** The initial meeting of the Board shall occur within ninety (90) days after the date the Articles are filed and shall be called in accordance with Section 6.3.

**6.2 Annual Meetings.** The Board shall meet at least annually, within thirty (30) days after each annual meeting of the Members. At each annual meeting, in addition to the actions required by the Declaration, the treasurer shall present to the Board a report on the financial condition of the Association, including a report of receipts and disbursements for the preceding calendar year, the allocation thereof to each Lot, and the estimated receipts and expenses for the coming year.

**6.3 Special Meetings.** Special meetings of the Board may be called at any time by the president or two (2) Directors. Such meetings shall be scheduled by the secretary at least two (2), but not more than thirty (30), days after the secretary's receipt of a written request signed by the president or two (2) or more Directors; provided that if the purpose of a special meeting is to elect a successor secretary pursuant to Section 11.2 or to consider removal of the secretary pursuant to Section 11.5, such meeting may be scheduled by the president or, if the meeting is also for the purpose of electing a successor president or removing the president, any other Director.

**6.4 Place of Meetings.** Meetings of the Board shall be held at such place within Oregon as may be designated from time to time by the Board.

**6.5 Notice of Meetings.** The secretary shall give written notice to each Director of each Board meeting at least three (3) but not more than thirty (30) days prior to the date set for such meeting, stating the purpose, time, and place of the meeting. All notices to Directors shall be given in accordance with the notice provisions set forth in Section 20.1. Notice of any meeting may be waived by a Director at any time. No Director who is present at a meeting may object to the adequacy or timeliness of the notice given. When a meeting is adjourned for fewer than thirty (30) days, whether or not a quorum is present at the adjourned meeting, no notice of the resumption or reconvening of such adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place. All meetings of the Board shall be open to the Members, except for matters allowed by law to be considered in executive session. Except in emergencies, the Board shall vote in an open meeting whether to meet in executive session. If the Board votes to meet in executive session, the president shall

state the general nature of the action to be considered and when and under what circumstances the deliberations can be disclosed to the Members. The statement, motion, or decision to meet in executive session must be included in the minutes of the meeting. A contract or action considered in executive session does not become effective unless the Board, following the executive session, reconvenes in an open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes. For other than emergency meetings, notice of Board meetings shall be: (i) sent to the Members not less than ten (10) days before the meeting; (ii) posted at a place or places on the Property at least three (3) days prior to the meeting; or (iii) provided by a method otherwise reasonably calculated to inform the Members of the meeting. Emergency meetings may be held without notice, if the reason for the emergency is stated in the minutes of the meeting. For a period of ten (10) years following the Turnover Meeting, notice of each Board meeting (other than emergency meetings) shall also be given to Declarant at least ten (10) days prior to the meeting in accordance with the notice provisions set forth in Section 20.1 and Declarant and/or its representatives shall have the right to attend and participate in all such Board meetings.

**6.6 Voting by the Board.** Each Director shall have one vote. All voting rights of a Director shall be suspended during any period in which the Director is delinquent in the payment of any amount duly established pursuant to the Declaration or Master Declaration or is otherwise in default under the Declaration, Master Declaration, these Bylaws or any Rules and Regulations. So long as a quorum is constituted, the vote of Directors together holding more than fifty percent (50%) of the total votes of the Board entitled to be cast shall be a binding vote of the Board for all purposes, unless a greater percentage is required by the Declaration these Bylaws or any other applicable law or regulation. A Director who is present at a meeting of the Board at which action is taken on any Association matter is presumed to have assented to the action unless the Director votes against the action or abstains from voting on the action because the Director claims a conflict of interest. When action is taken on any matter at a meeting of the Board, the vote or abstention of each Director present shall be recorded in the minutes of the meeting. The Directors may not vote by proxy or by secret ballot at Board meetings, except that the Directors may elect Officers by secret ballot.

**6.7 Quorum.** The presence in person of a majority of the Directors shall constitute a quorum for voting at a Board meeting. The Board shall have the power to adjourn and reconvene a meeting in accordance with Section 6.5 above even if less than a quorum is present.

**6.8 Actions of Board Without a Meeting.** Any action which applicable law, the Declaration or these Bylaws permit the Board to take at a meeting may be taken without a meeting if a written consent setting forth the action so taken is signed by all of the Directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the Board, shall be filed in the records of minutes of the Association.

## **ARTICLE VII NOMINATION AND ELECTION OF DIRECTORS**

**7.1 Nomination.** The Board shall have the right to assemble and use a nominating committee to make nominations. Additionally, at and following the Turnover Meeting, nominations for election to the Board may be made from the floor at the annual meeting.

**7.2 Election.** Election to the Board shall be by secret written ballot cast (including proxy votes) at the annual meeting. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles and these Bylaws. The person(s) receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## **ARTICLE VIII POWERS AND DUTIES OF THE BOARD**

**8.1 Powers.** The Board shall have the power:

(a) To adopt and publish rules and regulations governing the use of the Lots and Common Maintenance Areas and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) To exercise for the Association all power, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles, the Declaration, the Master Declaration and the Master Association Bylaws;

(c) To declare the office of a Director to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board without just cause having been furnished to and accepted by the Board;

(d) To establish, and disburse and maintain such petty cash fund as is necessary to carry out the functions of the Association, pursuant to these Bylaws, the Declaration and the Articles;

(e) To engage the services of a manager, an independent contractor, or such employees as it deems necessary, and to prescribe the conditions, compensation and duties of their work. Such power shall include authority to enter into management agreements with other parties to manage, operate or perform all or any part of the affairs and business of the Association. The Association may contract with the Master Association or the same manager or other contractors as the Master Association for the foregoing purposes;

(f) To exercise on behalf of the Association and the Members all of the voting rights of the Lots with respect to matters relating to the Master Association pursuant to the terms of the Master Declaration. The Board shall have the right, but not the obligation, to conduct a vote of Association members prior to casting votes pursuant to the Master Declaration and/or Master Association Bylaws;

(g) To exercise those powers delegated to the Board under the Declaration and the Articles;

(h) To exercise powers of a nonprofit corporation pursuant to the Nonprofit Corporation Law and the powers of an Association pursuant to the Planned Community Act, as such laws may be amended from time to time; and

(i) To exercise any additional or different powers necessary or desirable for the purpose of carrying out the functions of the Association pursuant to these Bylaws, the Declaration or the Articles or otherwise promoting the general benefit of the Members.

**8.2 Duties.** It shall be the duty of the Board:

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the votes of the Members who are entitled to vote;

(b) To supervise all Officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) To establish assessments and to assess Members for the same, in accordance with the Declaration and these Bylaws, including without limitation, collecting from Members assessments charged to the Association by the Master Association;

(d) To procure and maintain adequate liability and hazard insurance with respect to the Common Maintenance Areas owned and/or maintained by the Association as described in Article XV and, if deemed appropriate, insurance on the behalf of any Director, Officer, employee, or agent of the Association against any liability asserted against him and incurred by him in any such capacity or arising out of his or her status as such;

(e) To cause all Officers, employees or agents, having fiscal responsibility to be bonded, as it may deem appropriate;

(f) To cause the Common Maintenance Areas to be maintained, repaired and, when necessary, replaced;

(g) To maintain a current mailing list of the Association;

(h) To conduct a reserve study, or review and update an existing study, at least annually, to determine the Association's reserve account requirements in accordance with the Declaration and the requirements of ORS 94.595;

(i) To prepare a maintenance plan, or review and update an existing maintenance plan, at least annually, for the maintenance, repair and replacement of all property for which the Association has maintenance, repair or replacement responsibility under these



Bylaws, the Declaration, the Planned Community Act, or any other applicable law or legal instrument in accordance with the requirements set forth in ORS 94.595;

(j) To adopt annually a budget for the Association to manage and operate Caldera Cabins. The budget shall include funds to be allocated to the reserve fund. Within thirty (30) days after adopting the annual budget, the Board shall provide a summary of the annual budget to all Owners; and

(k) To perform all duties of the Association and the Board as set forth in the Declaration, Articles of Incorporation, or these Bylaws.

In performing its duties, the Board shall be governed by ORS 94.640 and the applicable provisions of ORS 65.357, 65.361, 65.367, 65.369 and 65.377.

## **ARTICLE IX COMMITTEES**

In addition to the Transitional Advisory Committee, the Board may appoint such other committees as it deems appropriate in carrying out its purposes.

## **ARTICLE X MEETINGS OF MEMBERS**

**10.1 Annual Meetings.** A meeting of the Members shall be held annually. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association and each subsequent regular annual meeting of the Members shall be held annually on a date within thirty (30) days of the anniversary date of the first annual meeting of the Members. Subject to the foregoing, the date and time of the annual meeting shall be set by the secretary. If the date set for the annual meeting is a legal holiday, the meeting shall be held at the same hour on the first day following which is not a legal holiday. At the annual meeting, the president, and any other Officer or person whom the president may designate, shall report on the activities and financial condition of the Association. The first annual meeting of the Members held for the purpose of electing Directors shall be the Turnover Meeting.

**10.2 Special Meetings.** Special meetings of the Members may be called at any time by the president, by a majority of the Board, or by the president or secretary upon receipt of a written request of the Members holding at least twenty-five percent (25%) of the outstanding votes of the Association. If the Members request a special meeting as provided herein and notice of the meeting is not given to the Members within thirty (30) days after the date the written request for the meeting was delivered to the president or the secretary, then any Member who signed the request may set the date, time and place of the meeting and give the required notice. Business transacted at a special meeting shall be restricted to the purposes set forth in the notice for the meeting.

**10.3 Place of Meetings.** Meetings of the Members shall be held at the principal office of the Association or at such other suitable and convenient place, as determined by the Board and designated in the notice for the meeting.

**10.4 Notice of Meetings.** Except as otherwise provided these Bylaws, written notice of each meeting of the Members shall be sent by, or at the direction of, the secretary or person authorized to call the meeting, to each Member entitled to vote at the meeting at least ten (10) days but not more than fifty (50) days before such meeting. The notices shall be given in accordance with the notice provisions set forth in Section 20.1 and shall specify the place, day and hour of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, or any proposal to remove a Director. Notice of a meeting may be waived by a Member at any time. No Member who is present at a meeting may object to the adequacy or timeliness of the notice given. For a period of ten (10) years following the Turnover Meeting, notice of each meeting of the Members shall also be given to Declarant at least ten (10) days prior to the meeting in accordance with the notice provisions set forth in Section 20.1 and Declarant and/or its representatives shall be entitled to attend and participate in all such meetings.

**10.5 Quorum.** The presence at any Member meeting of a number of Members, whether in person, by proxy or by absentee ballot (if authorized by the Board), who are entitled to cast at least one-third (1/3) of the outstanding votes of the Association shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws and provided that no quorum shall be required for the Turnover Meeting other than for the election of Directors at the Turnover Meeting as provided in Section 19. If, however, such quorum shall not be present or represented at any meeting, the Members who are present, either in person or by proxy, and entitled to vote shall have the power to adjourn the meeting until another date and time, without notice other than announcement at the meeting. The quorum requirement for any such subsequent meeting shall be reduced to a number of Members, whether in person, by proxy or by absentee ballot (if authorized by the Board), who are entitled to cast at least one-fifth (1/5) of the outstanding votes of the Association.

**10.6 Proxies and Absentee Ballots.** At all meetings of the Members, each Member may vote in person, by proxy or, if authorized by the Board, by absentee ballot. All proxies shall be in writing, dated and signed by the Member, filed with the secretary of the Association and in compliance with all other proxy requirements of the Planned Community Act. Proxies may only be revoked upon the giving of actual notice of revocation to the person presiding over the meeting of the Members or to the Board if a vote is being conducted by written ballot. Proxies shall automatically cease upon cessation of membership or restriction of the Member's voting rights. An absentee ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for absentee ballots shall include instructions for return delivery of the completed absentee ballot and information about whether or not the absentee ballot may be canceled if it is returned in accordance with the instructions. If an absentee ballot is delivered by a Member, the Member may vote in person at the meeting if the Member returned the absentee ballot and canceled the absentee ballot, if cancellation was permitted in the instructions included with the absentee ballot.

**10.7 Majority Vote; Withdrawal of Quorum.** The vote of the Members who are entitled to cast a majority of the outstanding votes of the Association (i) present in person, by proxy or by absentee ballot (if authorized by the Board) at a meeting at which a quorum is constituted or (ii) by written or electronic ballot pursuant to Section 10.9, shall be binding unless a higher voting percentage is specifically required by these Bylaws, the Articles, the Declaration, the Planned Community Act or any other applicable law, in which case such higher voting percentage shall apply. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

**10.8 Turnover Meeting.** Declarant shall call a Turnover Meeting within ninety (90) days following the Conversion Date for the purposes of turning over control of the Association to the Class A Members. The Turnover Meeting shall be conducted in accordance with Article 19 of these Bylaws.

**10.9 Action Without a Meeting.** Any action which applicable law, the Declaration or these Bylaws require or permit the Members to take at a meeting may be taken without a meeting by written ballot if the procedures set forth in ORS 94.647 are followed. For votes of the Members by written ballot, the Board shall provide the Members with at least ten (10) days' notice before written ballots are mailed or otherwise delivered. The notice shall state the general subject matter of the vote by written ballot, the right of Members to request secrecy procedures as specified in ORS 94.647, the date after which ballots may be distributed, the date and time by which any petition requesting secrecy procedures must be received by the Board, and the address where such a petition may be delivered. If, at least three (3) days before written ballots are scheduled to be mailed or otherwise distributed, at least ten percent (10%) of the Members petition the Board requesting secrecy procedures, a written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the Member, and instructions for mailing and returning the ballot. The secrecy procedures and the requirement to provide a secrecy envelope and return identification envelope shall not apply to the written ballot of a Member if the consent or approval of that particular Member is required under these Bylaws, the Declaration or the Oregon Planned Community Act. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed. All written ballots must set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall state the number of responses needed to satisfy any applicable quorum requirement, the required percentage of votes needed for approval, and the period during which the Association will accept written ballots for counting. Any vote that may be conducted by written ballot may also be conducted by electronic ballot subject to the procedures and requirements set forth in the Oregon Planned Community Act for electronic ballots. An electronic ballot shall mean any ballot given by electronic mail, facsimile transmission, posting on a website or other means of electronic communication approved by the Board. Notwithstanding the foregoing, action by written or electronic ballot may not substitute for: (i) the Turnover Meeting; (ii) the annual meeting of the Association; (iii) a meeting of the Association if the agenda includes a proposal to remove a Director; or (iv) a special meeting of the Association called at the request of the Members under ORS 94.650(2).

## **ARTICLE XI OFFICERS AND THEIR DUTIES**

**11.1 Enumeration of Officers.** The Officers shall be a president and a vice-president, who shall at all times be Directors, a secretary, and a treasurer, and such other Officers as the Board may from time to time by resolution create. After turnover, all Officers shall be Members.

**11.2 Election of Officers.** The Officers shall be elected annually by the Board and shall hold office at the pleasure of the Board and until their successors are elected and qualified. If any office becomes vacant, the Board shall elect a successor to fulfill the unexpired term at a special meeting of the Board called for such purpose.

**11.3 Term.** The Officers shall be elected annually by the Board and shall hold office for one (1) year unless he or she shall sooner resigns, is removed, or is otherwise disqualified to serve.

**11.4 Special Appointments.** The Board may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

**11.5 Resignation and Removal.** Any Officer may be removed from office with or without cause by the Board and a successor may be elected at a special meeting of the Board called for such purpose. Any Officer may resign at any time by giving notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

**11.6 Vacancies.** A vacancy in any office may be filled by election at a special meeting of the Board called for such purpose. The Officer elected to such vacancy shall serve for the remainder of the term of the Officer he or she replaces.

**11.7 Multiple Offices.** The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 11.4.

**11.8 Duties.** The duties of the Officers are as follows:

(a) President. The president shall be a Director and shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign (together with either the vice-president or treasurer) all checks in an amount over Five Thousand Dollars (\$5,000), payment vouchers, and promissory notes of the Association.

(b) Vice-President. The vice-president shall be a director and shall act in the place and stead of the president in his or her absence or inability or refusal to act, shall co-sign (together with either the president or treasurer) all checks in an amount over Five Thousand

Dollars (\$5,000), payment vouchers, and promissory notes of the Association and shall exercise and discharge such other duties as may be required of him by the Board.

(c) **Secretary**. The secretary shall keep or cause to be kept a record of the votes and 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 or cause to be served notice of meetings of the Board and of the Members required by these Bylaws or by the Master Association and other notices required by law. The secretary shall keep or cause to be kept appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as may be required by the Board.

(d) **Treasurer**. The 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, shall co-sign (together with either the president or vice-president) all checks in an amount over Five Thousand Dollars (\$5,000), payment vouchers, and promissory notes of the Association, keep proper books of account, cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year in accordance with Section 13.3 if required by ORS 94.670(4), and shall prepare an annual budget and a statement of income and expenditures to be adopted by the Board and presented to the membership at its regular annual meeting and deliver a copy of each to the Members.

The Officers may delegate the signing of checks in an amount less than Five Thousand Dollars (\$5,000) each to a professional property manager, if the Association has a contract with such property manager for professional management of the Association.

**11.9 Compensation.** Other than reimbursement of out-of-pocket expenses incurred on behalf of the Association, no Officer shall receive any compensation from the Association for acting as an Officer, unless such compensation is authorized by the Board in writing.

**11.10 Professional Management.** In the event that the Board employs professional management for the Association, the professional manager(s) shall manage the day-to-day operations of the Association, subject to the direction and oversight of the Board. Any of the obligations of the officers described in Section 11.8 may be delegated to a professional manager of the Association; provided, however, the Officers provide proper controls and supervision and such delegation is permitted by applicable law. The employment of a professional manager for the Association shall be subject to the terms related thereto in the Declaration.

**11.11 Suspension of Powers.** All powers and duties of an Officer shall be suspended during any period in which that Officer is delinquent in the payment of any amount duly established pursuant to the Declaration or Master Declaration or is otherwise in default under the Declaration, Master Declaration, these Bylaws or any Rules and Regulations.

## **ARTICLE XII ASSESSMENTS**

**12.1 Conformance with Declaration.** The Association shall levy, collect, and enforce the payment of assessments in accordance with all relevant provisions of the Declaration, including without limitation, the collection of assessments against the Association and/or its Members by the Master Association.

**12.2 Basis of Annual Assessments for Class A Members.** Without consideration of special and additional assessments, the maximum annual assessment for any Lot shall not exceed an amount determined in good faith by the Board.

**12.3 Assessments to be Levied by Board.** The amount of the regular annual assessments shall be based on an annual budget adopted by the Board. After consideration of current and future operating costs, maintenance, repair and replacement costs and all other future needs and obligations of the Association, the Board may levy the annual assessments. The Board shall have the authority to amend the budget and adjust the amount of annual assessments during any assessment period, upon not less than thirty (30) days notice to the Members. Assessments may be used to fund all costs incurred by the Association pursuant to the Declaration, these Bylaws or otherwise in the reasonable discretion of the Directors. Additionally, the Board may increase the amount of the regular annual assessments from year to year based on the needs of the Association.

**12.4 Special Assessments.** In addition to the regular annual assessments authorized above and any other assessments authorized by the Declaration, the Association may levy special assessments as follows:

(a) In any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any non-recurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon any Common Maintenance Areas or improvements particular to a Lot for which the Association is responsible, including fixtures and personal property related thereto may be assessed. A special assessment may be levied against one or more Lots and not other Lots if the Board determines in good faith that the Lots to be assessed are specially benefited by the expenditures of such funds. The Association shall not commingle the proceeds of such special assessments with other assessment funds. Such proceeds shall be used solely and exclusively to fund the non-recurring maintenance or improvements in question. The Board shall determine the necessity and the amount of any special assessment. Special assessments shall not be effective unless approved by a vote of two-thirds (2/3) of the Members voting in person or by proxy at a meeting called for the purpose of approving the special assessments and conducting other business, if any, or if the special assessment is against a particular Lot or group of Lots, two-thirds (2/3) of the Members who own the affected Lots who are voting in person or by proxy at a meeting called for the purpose of approving the special assessments and conducting other business, if any. Written notice of such meeting shall be sent to each Member (or if only a particular Lot or group of Lots is affected, to Members owning those affected Lots) not less than ten (10) days nor more than fifty (50) days in advance of the meeting.

(b) Assessments for the working capital fund shall be charged in accordance with Section 3.20 of the Declaration.

**12.5 Limited Assessments.** In addition to the other assessments set forth herein, the Association shall have the authority to levy assessments to satisfy the common expenses of a particular project or effort undertaken by the Association that benefits some, but less than all, of the Lots. The rate at which each benefited Lot will be assessed, and whether such assessment shall be payable monthly, quarterly or annually, will be determined by the Board at least thirty (30) days in advance of each assessment period. Said rate may be determined and adjusted by the Board in its sole discretion, as it deems necessary and appropriate.

**12.6 Uniform Rate.** Except as otherwise provided in the Declaration, any Declaration of Annexation or herein, both annual and special assessments, other than those assessed against only particular Lots pursuant to Section 12.5, must be fixed at a uniform rate for each Lot. Assessments may be collected on a monthly, quarterly or annual basis as determined by the Directors at least thirty (30) days in advance of each assessment period.

**12.7 Quorum for any Action Authorized under Sections 12.4(a).** At any meeting called for purposes described under Section 12.4(a) hereof, the presence at the meeting of Members, in person, by proxy or by absentee ballot (if authorized by the Board) entitled to cast twenty percent (20%) of all the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 12.4(a); however, the quorum requirement shall be one-half (1/2) of the previous quorum requirements. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. The necessary approval may also be obtained by a vote by written or electronic ballot as set forth in Section 10.9 above.

**12.8 Date of Commencement of Annual Assessments; Due Dates.** All assessments shall commence as provided in the Declaration. The annual assessment, including that portion of the annual assessment relating to the Reserve Fund or other reserve funds, shall be paid by the Owner of each Lot in advance in monthly, quarterly or annual installments as determined by the Board. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; provided, however, that the Board of Directors shall have the right to adjust the annual assessment as long as any such adjustment does not exceed the maximum permitted hereunder with thirty (30) days written notice given to each Member. Written notice of the annual assessment shall be sent to every Member subject thereto. The due dates shall be established by the Board. The Association shall, upon demand at any time, furnish a certificate in writing signed by an Officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid. Notwithstanding the foregoing, Declarant may defer payment of any accrued Reserve Fund assessment as provided in the Declaration.

**12.9 Effect of Non-payment of Assessments; Remedies of the Association.**

Any assessments due hereunder or under the Declaration, Master Declaration or Master Association Bylaws which are not paid when due shall be delinquent. If the assessment is not paid within ten (10) days after the due date, the Association shall have the remedies set forth herein, in the Declaration and as allowed under the Oregon Planned Community Act. The Association or its agents shall have the right and power to bring all actions against the defaulting Member personally for the collection of such charges as a debt and to enforce the Association's lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in like manner as a mortgage or deed of trust lien on real property. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all other Members. The provisions regarding the attachment, notice, recordation and duration of liens established on real property under ORS 94.709 and, to the extent they do not conflict with ORS 94.709, ORS 87.352 to 87.382 shall apply to the Association lien. The lien shall be foreclosed in accordance with the provisions regarding the foreclosure of liens under ORS 94.709 through 94.719 and, to the extent not in conflict with ORS 94.709 through 94.719, ORS Chapter 88. The lien shall be subordinate to any prior recorded deed of trust securing payment for the house on the subject Lot.

The Association acting on behalf of the Members shall have the power to bid on an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the Lot. If any assessment is payable in installments, the full amount of the assessment is a lien from the date the first installment of the assessment becomes due. The Association acting on behalf of the Members shall have the power to bid on an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its right to such liens as may be necessary or expedient to an insurance company continuing to give total coverage notwithstanding non-payment of such defaulting Member's portion of the premium. An election by the Association to pursue any remedy provided for herein shall not prevent concurrent or subsequent exercise of another remedy permitted hereunder. The remedies provided herein are not exclusive but shall be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law to the Association. The Association shall have no right to deprive a Member of access to or from such Member's Lot.

**12.10 No Reimbursement to Declarant.** The proceeds of the regular annual assessments shall not be used to reimburse Declarant for any capital expenditures incurred in construction or other improvements of common facilities.

**12.11 Reallocation Upon Annexation or Withdrawal.** If new property is added to the Property by annexation or withdrawn from the Property, common expenses shall be reallocated as set forth in the Declaration.

**12.12 Master Association Assessments.** In addition to the assessments described in these Bylaws and the Declaration, all Lots are subject to assessment by the Master Association as set forth in the Master Declaration and Master Association Bylaws.



## **ARTICLE XIII BOOKS AND RECORDS**

**13.1 Books and Records.** The Board shall cause the Association to keep the books, records and papers of the Association at all times in compliance with ORS 94.670.

**13.2 Financial Records.** The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and committees having any of the authority of the Board and shall keep at its registered or principal office a record giving the names and addresses of the Directors. All books and records of the Association may be inspected by any Director, or his or her agent or attorney, for any proper purpose at any reasonable time.

**13.3 Financial Statements.** Within ninety (90) days after the end of each fiscal year, the Board shall distribute to each Member and, upon request, any mortgagee of a Lot, a copy of the annual financial statement of the Association, consisting of a balance sheet and income and expense statement for the preceding fiscal year. Additionally, if the annual assessments of the Association exceed Seventy-Five Thousand Dollars (\$75,000) for the year (or such other thresholds as may be established by Oregon law from time to time), then the Board of Directors shall cause such financial statements to be reviewed within one hundred eighty (180) days after the end of the fiscal year by an independent certified public accountant licensed in Oregon in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants, provided, however, the Board of Directors need not cause such a review to be performed if so directed by an affirmative vote of at least sixty percent (60%) of the Members, not including votes of Declarant with respect to Lots owned by Declarant. If the annual assessments of the Association are Seventy-Five Thousand Dollars (\$75,000) or less (or such other thresholds as may be established by Oregon law from time to time), then the Board shall cause such review to be performed within one hundred eighty (180) days after receipt of a petition requesting such review signed by at least a majority of Members. The terms of this Section 13.3 are intended to comply with the requirements of ORS 94.670, as the same may be amended and/or supplemented from time to time, and all other applicable Oregon laws and shall be deemed modified, as applicable, to comply therewith.

**13.4 Tax Returns.** The Board shall cause to be filed the necessary income tax returns for the Association.

**13.5 Assessments Due.** The Association shall provide, within ten (10) business days of receipt of a written request from a Member, a written statement that provides (i) the amount of assessments due from the Member and unpaid at the time the request was received, such as regular and special assessments, fines, accrued interest, late payment charges and other charges, (ii) the percentage rate at which interest accrues on unpaid assessments and (iii) the percentage rate or fixed charge for late payments. The Association need not provide the amount of assessments due as provided herein (i) if the Association has commenced litigation by filing a complaint against the Member and (ii) the litigation is pending when the statement would otherwise be due.

**13.6 Declarant Review and Inspection Rights.** For a period of ten (10) years following the date of the Turnover Meeting, Declarant shall have the right to inspect and make copies of all books and records of the Association, including without limitation: (i) these Bylaws, the Declaration, the Articles, the Rules and Regulations and all amendments thereto; (ii) all operating budgets, financial statements, reserve studies and maintenance plans; and (iii) all inspection and maintenance records.

#### **ARTICLE XIV FISCAL YEAR**

The Fiscal Year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

#### **ARTICLE XV INSURANCE**

**15.1 By the Association.** The Board shall cause the Association to obtain, and maintain in effect, from reputable insurance companies authorized to do business in the State of Oregon, (i) public liability insurance with respect to all the Common Maintenance Areas in such amounts and in such forms as the Board deems advisable to provide adequate protection for bodily injury, including deaths of persons, and property damage, whether caused by the negligence of the Association or otherwise; provided, however, that such policy(ies) shall not be for an amount of less than One Million Dollars (\$1,000,000.00) per person, per occurrence, and that such policy(ies) shall provide that the coverage thereunder cannot be canceled or substantially modified without at least ten (10) days' written notice to the Association; and (ii) hazard insurance for all insurable improvements in the Common Maintenance Areas sufficient to cover the full replacement costs or any repair or reconstruction in the event of damage or destruction from any such hazard if the insurance is available at reasonable cost. The insurance coverage obtained by the Association may not be brought into contribution with insurance obtained by any of the Members or their mortgagees. Any insurance policy obtained by the Association shall identify the Association as the named insured and shall, if available on commercially reasonable terms, be written by an insurer with an A.M. Best's Rating of "B" and an A.M. Best's Financial Size Category (FSC) of "III." The insurance policies obtained by the Association may contain reasonable deductibles, provided that no such deductible shall exceed the greater of: (i) the maximum deductible acceptable to the Federal National Mortgage Association; or (ii) Ten Thousand Dollars (\$10,000), and the amount thereof shall be added to the face amount of the policy in determining whether the insurance equals at least the required full replacement cost. In the event of any conflict between the provisions of this Section 15.1 and the provisions of Section 5.2 of the Declaration, this Section 15.1 shall prevail.

**15.2 Insurance for Annexed Property.** The Board shall be responsible for obtaining any additional insurance coverages required of it in any Declaration of Annexation.

**15.3 By the Owners.** Each Owner shall obtain and maintain in effect, from a company authorized to do business in Oregon, for the Residence and all other insurable

Improvements located in, on or under his or her Lot, against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief in an amount equal to one hundred percent (100%) of the replacement cost thereof.

Each Owner of a Lot shall obtain, and maintain in effect, from a reputable insurance company authorized to do business in the State of Oregon, public liability and property damage insurance with respect to such Lot with limits of not less than (\$750,000) per person per occurrence and (\$750,000) for property damage. Each Owner shall also be responsible for obtaining fire and extended coverage casualty insurance with respect to that Owner's personal property. No insurance coverage obtained by an Owner (or such Owner's mortgagee) shall be brought into contribution with insurance obtained by the Association. The Association shall have the right, but not the obligation, to request evidence that any Owner has procured the required insurance. Upon written request from the Association, an Owner shall present a certificate of insurance evidencing the required coverages. The Association shall have the right, but not the obligation, to increase the coverage limits established by this Section 15.3 from time to time to reflect increases in the cost of living. Such increases shall require neither an amendment to this Section 15.3, nor a vote of the Owners, and shall be effected, if at all, by providing written notice to each Owner not less than thirty (30) days prior to the effective date of such increases. All policies obtained pursuant to this Section 15.3 shall be written by an insurer licensed in the State of Oregon and shall have reasonable deductibles. In the event of any conflict between the provisions of this Section 15.1 and the provisions of Article VIII of the Declaration, this Section 15.1 shall prevail. At least annually, the Board shall review the insurance coverage of the Association.

**15.4 Director and Officer Insurance.** At the discretion of the Board, the Association may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, committee member, employee, or agent of the Association, or is or was serving at the request of the Association, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the provisions of the Articles.

**15.5 General Provision.** Premiums for insurance obtained by the Board pursuant to this Article XV shall be a common expense of the Association. Allocation of responsibility for the payment of any deductible on the insurance policies obtained on behalf of the Association shall be prescribed by resolution adopted by the Board. At least annually, the Board shall review the insurance coverage of the Association. If available on commercially reasonable terms, the Board shall obtain insurance policies with the provisions specified in ORS 94.690 and with an "inflation guard" endorsement.

## **ARTICLE XVI RULES AND REGULATIONS**

The Board shall have power to adopt and publish rules and regulations governing the conduct of persons and the operation and use of the Lots and the Common Maintenance Areas as it may deem necessary or appropriate to assure the peaceful and orderly use and

enjoyment of the Property, and to establish penalties for the infraction thereof. Such rules and regulations may be adopted upon a majority vote of the Directors present at a meeting at which there is a quorum of Directors and as to which notice has been given as provided in these Bylaws. Such notice shall include a verbatim copy of all proposed rules and regulations. Upon adopting any such rules and regulations, the Board shall cause copies thereof to be delivered to each Member in accordance with the notice provisions of Section 20.1. All such rules and regulations become binding on all Members and occupants of all Lots upon the effective date of delivery of a copy of the adopted rules and regulations to the Members as provided herein. Rules and regulations that conflict with these Bylaws or the Declaration shall be null and void.

## **ARTICLE XVII SHARES OF STOCK AND DIVIDENDS PROHIBITED**

The Association shall not have or issue shares of stock. No dividends shall be paid and no part of the income of the Association shall be distributed to its Directors or Officers, or to the Owners.

## **ARTICLE XVIII DESIGN REVIEW**

The Property shall be subject to all use, occupancy and building restrictions set forth in the Master Declaration. The Property shall be subject to design review only as provided in the Declaration.

## **ARTICLE XIX TRANSFER OF CONTROL**

**19.1 Transitional Advisory Committee.** Declarant or the Owners shall form a transitional advisory committee (the "Transitional Advisory Committee") in accordance with the Declaration.

**19.2 Turnover Meeting.** On a date that is not later than ninety (90) days following the Conversion Date, Declarant shall call the Turnover Meeting. Declarant shall give notice of such meeting as provided in Section 10.4 to each Member. The notice shall state the time and place at which the meeting is to be held and the purpose of the meeting, which shall be the relinquishment by Declarant of control of the administration of the Association and election of new Directors by the Members. If Declarant does not call the Turnover Meeting required by this Section 19.2 within the required period, any Member may call such a meeting and give notice as required by this Section 19.2. At the Turnover Meeting: (a) Declarant shall relinquish control of the administration of the Association and the Members shall assume the control thereof, (b) the Directors then serving shall resign and, if a quorum of the Members is present, the Members shall elect a Board in accordance with these Bylaws, and (c) Declarant shall deliver to the Association the books, records, and other materials belonging to the Association that are required by ORS 94.616(3).

**19.3 Estoppel Certificate.** Within ninety (90) days after the date of the Turnover Meeting, the Board shall execute, acknowledge and deliver to Declarant on behalf of the Association and its Members a certificate certifying that Declarant has fulfilled all of its obligations under these Bylaws, the Declaration, the Planned Community Act and any other applicable law, or if the Board believes that Declarant has not fulfilled certain obligations, specifying those obligations which the Board believes Declarant has not fulfilled. If the Board fails to deliver the certificate within ninety (90) days following the date of the Turnover Meeting, then Declarant shall be deemed to have fulfilled all such obligations.

## **ARTICLE XX NOTICE; WAIVER OF NOTICE**

**20.1 Notices.** All notices given to a Member or a Director under these Bylaws, the Declaration, the Articles, the Planned Community Act or any other applicable law or statute shall be delivered by: (i) messenger service (or hand delivery); (ii) overnight courier service; (iii) regular U.S. Mail; or (iv) electronic mail, facsimile transmission or any other form of electronic communication acceptable to the Board and permissible under the Oregon Planned Community Act. Notices delivered by messenger service (or hand delivery), overnight courier service or regular U.S. Mail shall be sent to each Member's mailing address last appearing on the books of the Association. Notices delivered by facsimile or email shall be sent to the Member's email address or facsimile number last appearing on the books of the Association. Notwithstanding the foregoing, electronic mail, facsimile or other form of electronic communication may not be used to give notice of: (i) failure to pay an assessment; (ii) foreclosure of an Association lien under ORS 94.709; or (iii) an action the Association may take against a Member. Additionally, a Member or Director may decline to receive notice by electronic mail, facsimile or other form of electronic communication by giving written notice thereof to the Board. Notices shall be deemed given on the date the notices are sent in accordance with the procedures outlined herein.

**20.2 Waiver of Notice.** Whenever any notice is required to be given under the provisions of the nonprofit corporation laws of the State of Oregon, as it exists or may be amended in the future, or under the provisions of the Articles, the Declaration, these Bylaws, or any applicable law or statute, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## **ARTICLE XXI ACTION WITHOUT A MEETING**

Unless applicable law prohibits the same, any action which applicable law, the Declaration or these Bylaws require or permit the Board to take at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Directors entitled to vote on the matter. Notwithstanding the foregoing, action by written ballot may not substitute for the Turnover Meeting or the annual meeting of the Association. The consent, which shall have the same effect as a unanimous vote of the Board, shall be filed in the records of minutes of the Association.

## **ARTICLE XXII AMENDMENTS**

Except as expressly provided in the Declaration, these Bylaws may be amended or repealed and new Bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting without the approval of the Members, if at least two (2) days' prior written notice is given to the Members of the Board's intention to amend or repeal and adopt new Bylaws at such meeting accompanied by a copy or summary of the amendment; provided however, that the Board shall have no authority to amend or repeal any provision of these Bylaws relating to the election, qualifications, powers, duties or terms of Directors without the approval of a majority of the Members given at a special meeting called for such purpose. In addition, except for the amount of assessments and level of maintenance, any amendment that imposes an additional disproportionate burden upon or takes away or impairs an existing right particular to any one Lot or group of like-affected Lots shall require the vote of seventy-five percent (75%) of the Members who own the affected Lots. An amendment shall not be effective unless it is certified by the president and secretary of the Association as having been adopted in accordance with these Bylaws and ORS 94.625, acknowledged in the manner provided for acknowledgement of deeds, and recorded in the office of the recording officer of Deschutes County, Oregon. Notwithstanding any provisions hereof to the contrary, the Declarant may, at its sole discretion and without the consent of any other party, modify, amend or repeal these Bylaws at any time before the closing of the sale of the first Lot by Declarant to a third party or as otherwise allowed by law.

## **ARTICLE XXIII GENDER AND GRAMMAR**

The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provision hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

## **ARTICLE XXIV ENFORCEMENT**

If the Association institutes legal action to enforce any restrictive covenant or other condition of the Declaration, the Articles or these Bylaws, and the violator voluntarily corrects or abates such violation after litigation has been filed, the Association shall not dismiss or abandon such legal action until it has been reimbursed all of its expenses, including reasonable attorneys' fees and court costs.

## **ARTICLE XXV LOANS TO DIRECTORS AND OFFICERS PROHIBITED**

**25.1 No Loans to Directors or Officers.** The Association shall not make any loans to its Directors or Officers. The Directors who vote for or assent to the making of a loan to a Director or Officer, and any Officer or Officers participating in the making of such loan, shall

be jointly and severally liable to the Association for the amount of such loan until the repayment thereof.

**25.2 Contribution; Subrogation.** Any Director against whom a claim is asserted under or pursuant to this Article XXV shall be entitled to contribution from the other Directors who voted for the action upon which the claim is asserted. To the extent that any Director is required to pay such claim, he shall be subrogated to the rights of the Association against the debtor on the loan.

## **ARTICLE XXVI DISPUTE RESOLUTION**

Before initiating any litigation or and administrative proceeding in which the Association and a Member have an adversarial relationship, the party that intends to initiate litigation or an administrative proceeding shall offer to resolve the problem through a dispute resolution program pursuant to ORS 94.630(4). Pursuant to ORS 94.630 (4)(f), the foregoing requirement shall not apply to circumstances in which irreparable harm to a party will occur due to delay or to litigation or an administrative proceeding initiated to collect assessments, other than assessments attributable to fines.

## **ARTICLE XXVII COMPLIANCE WITH MASTER DECLARATION AND MASTER ASSOCIATION**

The Association and its Members shall comply with all covenants, conditions, restrictions, easements and all other terms and provisions of the Master Declaration, Master Association Bylaws and any Rules and Regulations promulgated thereunder, as the same may be amended from time to time in accordance with the terms thereof.

## **ARTICLE XXVIII CONFLICTS AND PARTIAL INVALIDITY**

**28.1 Conflicts.** These Bylaws are intended to comply with applicable law and the Declaration, Master Declaration and Master Association Bylaws. In case of any irreconcilable conflict, applicable law, the Declaration the Master Declaration and the Master Association Bylaws shall control over these Bylaws (unless these Bylaws expressly provide otherwise) and any amendments hereto, and any Rules and Regulations adopted hereunder.

**28.2 Partial Invalidity.** The invalidation of any one of the provisions of these Bylaws by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

## **ARTICLE XXIX DISSOLUTION**

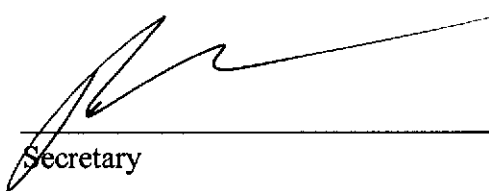
Upon dissolution of the Association, voluntarily or otherwise, it shall automatically be succeeded by an unincorporated association of the same name and having the

same purposes. All assets, property, powers, and obligations of the Association existing prior to dissolution shall thereupon automatically vest in the successor unincorporated association.

**ARTICLE XXX  
STATUTORY REFERENCES**

Any reference in these Bylaws to a specific act or section of the Oregon Revised Statutes shall mean such act or section as it is constituted at the time of execution of these Bylaws and as it may hereafter be amended, added to or otherwise changed, and it shall also include any applicable successor provision or any other provision of similar purpose which may hereafter become applicable.

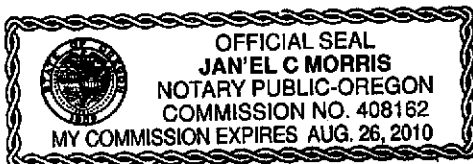
I, Tom Keith, as secretary of the Caldera Cabins Owners' Sub-Association, Inc., do hereby certify the foregoing to be the Bylaws of the Association, as adopted by the Board on the 31 day of January 2008.

  
\_\_\_\_\_  
Secretary

STATE OF OREGON            )

COUNTY OF DESCHUTES    )

The foregoing instrument was acknowledged before me the 31<sup>st</sup> day of January 2008, by Tom Keith, the Secretary of the Caldera Cabins Owners' Sub-Association, Inc., an Oregon nonprofit corporation, on behalf of the corporation.



  
\_\_\_\_\_  
Notary Public, State of Oregon  
My Commission Expires: 8.26.10



**EXHIBIT "A"**

**PROPERTY SUBJECT TO BYLAWS**

Lots 24 through 36, inclusive, all private roads and Common Lots A, B, C, D and E, all as shown on the plat of Caldera Springs, Phase Three, recorded in the real property records of Deschutes County, Oregon, at 2007-50992.

Return To:



Recorded by AmeriTitle as an accommodation only. No liability is accepted for the condition of title or for the validity, sufficiency, or effect of this document.

After recording, return to:

Kathleen A. Profitt  
Profitt Law PC  
13568 SE 97<sup>th</sup> Ave., Ste. 203B  
Clackamas, OR 97015

Caldera Cabins Owners' Sub-Association, Inc.  
17730 Caldera Springs Drive  
Bend, OR 97707

Deschutes County Official Records **2019-00280**  
**D-BYLAWS**  
Stn=1 BN **01/03/2019 02:42 PM**  
\$15.00 \$11.00 \$10.00 \$61.00 \$6.00 **\$103.00**

I, Nancy Blankenship, County Clerk for Deschutes County, Oregon, certify that the instrument identified herein was recorded in the Clerk records.

Nancy Blankenship - County Clerk

## FIRST AMENDMENT TO BYLAWS OF CALDERA CABINS OWNERS' SUB-ASSOCIATION, INC.

This FIRST AMENDMENT TO BYLAWS OF CALDERA CABINS OWNERS' SUB-ASSOCIATION (this "Amendment") is made by the Caldera Cabins Owners' Sub-Association (the "Association"), is effective upon recording.

### RECITALS:

A. This Amendment is made pursuant to ORS 94.625 and Article XXII of the Bylaws of the Caldera Cabins Owners' Sub-Association, recorded in the real property records of Deschutes County, Oregon on January 31, 2008, Recording No. 2008-04668 (the "Bylaws").

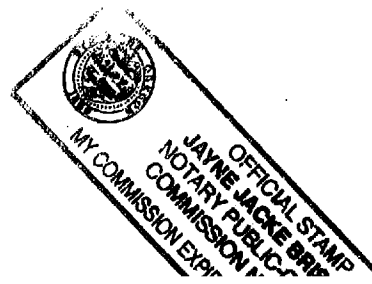
B. The Association, through the amendment procedures set forth in Article XXII of the Bylaws, desires to amend Section 5.3 to Article V.

NOW, THEREFORE, the Bylaws are hereby amended as follows:

1. Amendment to Article V, Section 5.3. Section 5.3 is hereby deleted, and the following Section 5.3 is substituted therefor:

**5.3 Election of Directors.** At the Turnover Meeting, the Members shall elect two (2) Directors for a term of two (2) years, and one (1) Director for a term of one (1) year, with each Owner entitled to the votes specified in Section 3.4. Thereafter, at each subsequent annual meeting of the Association, the Members shall elect a number of Directors equal to the number whose terms are then expiring, each to serve a term of two (2) years. Any Director may serve more than one term.

2. Approval. The Association has approved this Amendment, effective as of the date set forth above.



NOTARY PUBLIC  
JAYNE JACKIE BRISTOW  
COMMISSION NO. 973343  
APRIL 15, 2022

3. Effect of Amendment. Except as expressly amended hereby, the Bylaws remain unamended and in full force and effect.

IN WITNESS WHEREOF, this Amendment is executed to be effective upon recording.

ASSOCIATION:

CALDERA CABINS OWNERS' SUB-ASSOCIATION,  
an Oregon nonprofit corporation

By: [Signature]

Alan Dinger, President

### CERTIFICATE OF ASSOCIATION

The President and Secretary of Caldera Cabins Owners' Sub-Association hereby certify that the foregoing Amendment has been approved by the Association in accordance with Article XXII of the Bylaws and ORS 94.625, and may be executed and recorded as set forth in ORS 94.625.

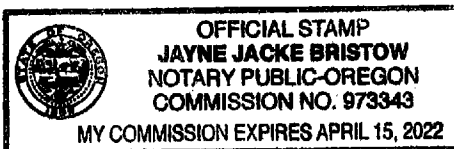
[Signature], President

[Signature], Secretary

Talli Brainard

STATE OF OREGON            )  
  )ss.  
COUNTY OF Deschutes )

This instrument was acknowledged before me by Alan Dinger, the President of Caldera Cabins Owners' Sub-Association, an Oregon nonprofit corporation, on behalf of and as the act and deed of said nonprofit corporation, on this 1<sup>ST</sup> day of January, 2018. 2019



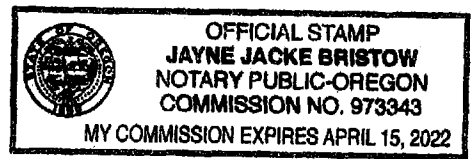
Jayne Jacke Bristow  
Notary Public for Oregon  
My Commission expires: 4/15/2022



OFFICIAL STAMP  
JAYNE JACKIE BRISTOW  
NOTARY PUBLIC-OREGON  
COMMISSION NO. 973343  
COMMISSION EXPIRES APRIL 15, 2022

STATE OF OREGON )  
 )ss.  
COUNTY OF Deschutes )

This instrument was acknowledged before me by Talli Brainard, the Secretary of Caldera Cabins Owners' Sub-Association, an Oregon nonprofit corporation, on behalf of and as the act and deed of said nonprofit corporation, on this 28<sup>th</sup> day of December, 2018.



Jayne Jacke Bristow  
Notary Public for Oregon  
My Commission expires: 4/15/2022