

# **BYLAWS of TIMBERHILL SOUTHEAST FIRST ADDITION HOMEOWNERS ASSOCIATION**

## **ARTICLE 1 – Definitions**

1.1 Association. “Association” means Timberhill Southeast First Addition Homeowners Association, a nonprofit corporation organized and existing under the laws of the State of Oregon.

1.2 Articles of Incorporation. “Articles of Incorporation” means the Articles of Incorporation of the Association filed April 15, 1975.

1.3 Declaration. The “Declaration” means the Protective Covenants, Conditions, Declarations and Restrictions for the Association recorded April 28, 1972, as document M-31941 in the Deed Records of Benton County, Oregon, as may be amended or supplemented pursuant to the terms of the document.

1.4 Except as otherwise provided herein, the terms which are defined in Article 1 of the Declaration are used in these Bylaws and incorporated by this reference.

## **ARTICLE 2 – Membership and Voting Rights**

2.1 Membership. Every Owner of one or more Lots within the Property shall, immediately upon creation of the Association and thereafter during the entire period of such ownership, be a Member of the Association. Such membership shall commence, exist and continue simply by virtue of such ownership, shall expire automatically upon termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

2.2 Membership List. The Secretary shall maintain at the principal office of the Association a membership list showing the name and address of the Owner of each Lot. The Secretary may accept as satisfactory proof of such ownership a duly executed and acknowledged conveyance, a title insurance policy, or other evidence reasonably acceptable to the Board of Directors.

2.3 Voting Rights. Members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. Other conditions shall be as set forth in Article IV of the Declaration.

2.4 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 Article VI of the Declaration or is otherwise in default hereunder or under the Declaration or Rules and Regulations of the Association.

## **ARTICLE 3 – Membership Meetings**

3.1 Place of Meetings. Meetings of the Members of the Association shall be held at such reasonable place convenient to the Members as may be designated in the notice of the meeting.

3.2 Annual Meeting. The annual meeting of the Members for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held

at such reasonable hour and on such reasonable day as the President may designate, or if the President should fail to designate a date by the first day of December, then at 7:30 p.m. on the second Thursday of December.

3.3 Special Meetings. A special meeting of the Association may be called at any time by the President or by a majority of the Board of Directors. A special meeting shall be called upon receipt of a written request stating the purpose of the meeting from Members having twenty-five percent (25%) of the voting rights entitled to be cast at such meeting.

3.4 Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting, the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any proposal to remove a director or officer and, in case of a special meeting, the purpose(s) for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting. Such notice shall be given either personally or by mail, by or at the direction of the President or the Secretary or the persons calling the meeting, to each Member entitled to vote at such meeting, and to all mortgage holders who have requested such notice. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the Member at his most recent address as it appears on the records of the Association or to the mailing address of his Lot.

3.5 Quorum. At any meeting of the Association, Members having ten percent (10%) of the voting rights entitled to be cast at such meeting, present in person or by proxy, shall constitute a quorum, except when a larger quorum is required by the Declaration. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a Member(s). If any meeting of Members cannot be organized because of a lack of quorum, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called until a quorum is present.

3.6 Proxies. Every Member entitled to vote or to execute any waiver or consent may do so either in person, by absentee ballot or by written proxy duly executed and filed with the Secretary of the Association. An Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over the meeting or by attending and voting at the meeting. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one (1) year after its date unless the proxy specifies a shorter term. Mortgage holders may designate a representative to attend any meeting of the Association.

3.7 Majority Vote. The vote of a majority of the voting rights entitled to be cast by the Members present or represented by absentee ballot or 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 law, by the Declaration, by the Articles of Incorporation, or by these Bylaws.

3.8 Ballot Meetings. At the discretion of the Board of Directors, any matter which might come before the Association at a meeting, including the election of directors, may be determined by proxy ballot rather than at a formal gathering. Ballots for such meetings must be properly executed and returned in sufficient quantity to constitute a quorum, and determination of the matter present shall be based upon the required percentage of ballots returned, unless approval of a specific percentage of all voting rights is required by law, the Declaration or these Bylaws. The vote of a ballot meeting shall be determined by the Board of Directors within 48 hours of the deadline for return of ballots. Within ten (10) days after the ballots have been counted, each

Owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned.

#### ARTICLE 4 – Powers and Obligations

The Corporation shall have, exercise and perform all of the following powers, duties, and obligations:

(a) Declaration. The powers, duties and obligations granted to the Corporation by its Articles of Incorporation, the Declaration, and these Bylaws.

(b) Statutory Powers. The powers, duties, and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Oregon and of a homeowners association of a planned community pursuant to the Oregon Planned Community Act, as either be amended from time to time, except as otherwise provided by the Declaration or these Bylaws.

(c) General. The Board of Directors may adopt Rules and Regulations to establish any additional or different powers, duties and obligations necessary or desirable for the purpose of carrying out the functions of the Corporation pursuant to the Declaration or otherwise promoting the general benefit of the Owners within the Property. The powers and obligations of the Corporation may from time to time be amended, repealed, enlarged or restricted by changes in the Declaration made in accordance with the provisions therein, accompanied by changes in the Articles of Incorporation of the Corporation or these Bylaws made in accordance with such instruments and with the nonprofit corporation laws of the State of Oregon.

#### ARTICLE 5 – Directors; Management

5.1 Number. The affairs of this Association shall be managed by a Board of three (3) to five (5) directors; at any given time, one director need not be a Member of the Association.

5.2 Election. Members shall elect Directors at the Annual Meeting to serve a term of two years. Approximately one-half of the number of Directors will be elected each year. Directors may serve consecutive terms without limit.

5.3 Removal. Any director may be removed from the Board with or without cause, by a majority vote of the Members of the Association at a Membership meeting called for that purpose. In the event of death, resignation or removal of a director, a successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

5.4 Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

5.5 Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written or electronic mail (e-mail) approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

5.6 Regular Meetings. Regular meetings of the Board of Directors shall be held at a frequency and at such place and hours as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

5.7 Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

5.8 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors shall be regarded as the act of the Board.

5.9 Nomination. Nominations for election to the Board of Directors may be submitted in writing by any Member to the Secretary of the Board prior to the Annual Meeting or may be made from the floor at the Annual Meeting.

5.10 Election. Election to the Board of Directors shall be by secret written ballot except that when the number of nominees equals the number of positions to be filled, a voice vote (by acclamation) may be used. 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 Declaration. The persons receiving the largest number of votes shall be elected subject to the limitation of no more than one non-Member serving at any given time (para 5.1). Cumulative voting (casting more than one vote for the same nominee for one vacancy) is not permitted.

5.11 Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Exercise for the Association all powers, duties and authority vest in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(c) Declare the office of a member of the Board of Directors to be vacant in the event such members shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

(a) 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 (25%) of the Members who are entitled to vote;

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

(c) Prepare Association budgets and assessments described in Article 8 herein.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) Cause the Common Area to be maintained; and

(h) Cause the exterior or any other part of any building on said Properties to be maintained.

## ARTICLE 6 – Officers

6.1 Designation and Qualification. The officers of the Association shall be the President, the Secretary, the Treasurer, and such Vice Presidents and subordinate officers as the Board of Directors shall from time to time appoint. The President shall be a member of the Board of Directors, but the other officers need not be directors. Officers need not be Members of the Association. Any two offices may be held by the same person except the offices of President and Secretary.

6.2 Election and Vacancies. The officers of the Association shall be elected annually by the board of directors at the organization meeting of each new Board, which must be held within thirty (30) days of the annual meeting at which the Board was elected, to serve for one year and until their respective successors are elected. If any office shall become vacant by reason of death, resignation, removal, disqualification or any other cause, the Board of Directors shall elect a successor to fill the unexpired term at any meeting of the Board of Directors.

6.3 Removal and Resignation. Any officer may be removed upon the affirmative vote of a majority of the directors whenever in their judgment the best interests of the Association will be served thereby. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Association. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective. The removal or resignation of an officer shall be without prejudice to the contract rights, if any, of the officer.

6.4 President. The President shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and affairs of the Association. He shall preside at all meetings of the Members and of the Board of Directors. He shall be ex officio a member of all standing committees, shall have the general powers and duties of management usually vested in the office of president of a nonprofit corporation, and shall have such other powers and duties as may be prescribed by the Board of directors or these Bylaws.

6.5 Vice Presidents. The Vice Presidents, if any, shall perform such duties as the Board of Directors shall prescribe. In the absence or disability of the President, the President's duties and powers shall be performed and exercised by the Senior Vice President as designated by the Board of Directors.

6.6 Secretary. The Secretary shall keep or cause to be kept a Book of Minutes of all meetings of directors and Members showing the time and place of the meeting, whether it was regular or special, and if special, how authorized, the notice given, the names of those present at director's meetings, the number of memberships present or represented at Members meetings and the proceedings thereof. The Secretary shall give or cause to be given such notice of the meetings of the Members and of the Board of Directors as is required by these Bylaws or by law. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws. If there are no Vice Presidents, then in the absence or disability of the President, the President's duties and powers shall be performed and exercised by the Secretary.

6.7 Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts and disbursements. The books of accounts shall at all reasonable times be open to inspection by any director. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the

Association as may be ordered by the Board, shall render to the President and directors, whenever they request it, an account of all the Treasurer's transactions as Treasurer and of the financial condition of the association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

6.8 Compensation. No officer who is a member of the Board of Directors shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the Members. The Board of Directors may fix any compensation to be paid to other officers.

## ARTICLE 7 – Committees

Subject to law, the provisions of the Articles of Incorporation and these Bylaws, the Board of Directors, by a vote of a majority of the directors in office, may appoint an executive committee and such other standing or temporary committees as may be necessary from time to time, consisting of not less than three members which includes one of the directors in office and having such powers as the Board of Directors may designate. Such committees shall hold office at the pleasure of the Board.

## ARTICLE 8 – Assessments, Financial Requirements and Records

8.1 Assessments. The Board of Directors shall assess and collect from every Owner assessments in the manner described in the Declaration. The Board shall fix the amount of the annual assessment against each Lot at least fifteen (15) days in advance of each annual assessment period. Written notice of any assessment shall be sent to every Owner subject thereto and to any first mortgage holder requesting such notice. The due dates for payment shall be established by the Board of Directors.

8.2 Budgets. At least annually, the Board of Directors shall prepare a budget for the Association, estimating the common expenses expected to be incurred with adequate allowance for reserves, if any, and determine the amount of assessment necessary to pay expenses. Within thirty (30) days after adopting a proposed annual budget, the Board of Directors shall provide a summary of the budget to all Owners. If within thirty (30) days after the summary is provided to Owners the Board of Directors is petitioned by Owners representing twenty percent (20%) of the voting rights of the Association, the Board shall call a meeting of the Owners to consider rejection of the budget. The date of the meeting shall be not less than fourteen (14) days nor more than thirty (30) days after receipt of the petition. At the meeting, whether or not a quorum is present, the budget shall be adopted unless seventy-five percent (75%) or more of the voting rights of the Association rejects the budget. If the proposed annual budget is rejected, the last annual budget shall continue in effect until the Owners approve a subsequent budget.

8.3 Records. The Association shall keep correct and complete financial records sufficiently detailed for proper accounting purposes, shall keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors.

8.4 Inspection of Books and Records. During normal business hours or under other reasonable circumstances, the Association shall make available for inspection by Owners, prospective purchasers and lenders, and to holders of any mortgage of a Lot, current copies of the Declaration, Articles, Bylaws, Policies and Procedures, Rules and Regulations, amendments or supplements to such documents and the books, records, financial statements, and current operating budget of the Association. Upon written request, the Association shall make such documents, information and records available to such persons for duplication during

reasonable hours. The Association may charge a reasonable fee for furnishing copies of such documents, information or records.

8.5 Execution of Documents. The Board of Directors may, except as otherwise provided in the Declaration, Articles of Incorporation or these Bylaws, authorize any officer or agent to enter into any contract or execute any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or for any amount.

8.6 Reports and Audits. An annual financial statement consisting of a balance sheet and income and expense statement for the preceding year shall be rendered by the Board of Directors to all Owners and to all mortgage holders who have requested the same within ninety (90) days after the end of each fiscal year. From time to time, the Board of Directors, at the expense of the Association, may obtain a review or audit of the books and records pertaining to the Association and furnish copies thereof to the Members. At any time any Owner or mortgage holder may, at their own expense, cause an audit or inspection to be made of the books and records of the Association.

8.7 Fiscal year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.

8.8 Tax returns. The Board, in its sole discretion, shall determine the manner in which all necessary income tax returns are filed and of selecting any and all persons to prepare such tax returns.

## ARTICLE 9 – General Provisions

9.1 Seal. The Corporation will not have a seal.

9.2 Notice. All notices to the Association or to the Board of Directors shall be sent care of the managing agent, or if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time and recorded with the Oregon Secretary of State. All notices to Members shall be sent to the Member's unit or such other address as may have been designated by the Member from time to time in writing to the Board of Directors.

9.3 Waiver of Notice. Whenever any notice to any Member or Director is required by law, the Declaration, the Articles of Incorporation, or these Bylaws, a waiver of notice in writing signed at any time by the person entitled to notice shall be equivalent to the giving of the notice.

9.4 Action Without Meeting. Any action which the law, the Declaration, the Articles of Incorporation, or the Bylaws require or permit the Members or Directors to take at any meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by the number of Members or Directors required to adopt the matter being considered. The consent shall be filed in the records of minutes of the Association.

9.5 Conflicts. These Bylaws are intended to comply with applicable law and the Declaration. In case of any irreconcilable conflict, applicable law and the Declaration shall control over these Bylaws, any amendments hereto and any rules or regulations adopted hereunder.

9.6 Waiver. No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof that may have occurred and the

number of times that the pertinent restriction, condition, obligation, or provision was not enforced.

9.7 Indemnification. The Association shall indemnify any director, officer, employee or agent of the Association for any act or omission undertaken on behalf of the Association and within the scope of said person's actual authority to act on behalf of the Association.

#### ARTICLE 10 – Amendment

10.1 How Proposed. Amendments to these Bylaws shall be proposed by either a majority of the Board of Directors or by Members having one-fourth (25%) of the voting rights entitled to be cast for such amendment. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon.

10.2 Adoption. The proposed amendment may be adopted by the membership at a regular or special meeting of the Members called for that purpose, at which a quorum is present, by an affirmative majority of the voting rights of the Association present at such meeting in person or by absentee ballot or by proxy. Those provisions of these Bylaws which are governed by the Declaration, however, may not be amended except as provided in the Declaration.

10.3 Recording. Once adopted, such amendment shall be copied in the appropriate place of the Minute Book of the Association containing the original Bylaws. If any Bylaw is repealed, the fact of such repeal and the date on which the repeal occurred shall be stated in such book and place.

#### CERTIFICATION

I, (name of Secretary), as Secretary of Timberhill Southeast First Addition Homeowners Association, do hereby certify the foregoing to be the Bylaws of the Corporation as adopted by the Members on (date of adoption).

\_\_\_\_\_  
Date

\_\_\_\_\_  
(printed name), Secretary