

36P

AFTER RECORDING, RETURN TO:
P. Stephen Russell III, P.C.
Landye Bennett Blumstein, LLP
1300 SW Fifth Avenue, Suite 3500
Portland, OR 97201

Clackamas County Official Records
Sherry Hall, County Clerk

2011-009204



\$222.00

01473489201100092040360369

02/08/2011 02:46:45 PM

PD-BYL Cnt=1 Stn=1 JANISKEL
\$180.00 \$16.00 \$16.00 \$10.00

**AMENDED AND RESTATED BYLAWS
OF
GARDEN HOMES AT CHARBONNEAU GREEN TOWNHOME ASSOCIATION**

TABLE OF CONTENTS

ARTICLE 1

PLAN OF RESIDENTIAL UNIT OWNERSHIP; DEFINITIONS	1
1.1 Bylaws Applicability.....	1
1.2 Personal Application.....	1
1.3 Definitions.....	2
1.4 Oregon Planned Community Act.....	2

ARTICLE 2

TOWNHOME ASSOCIATION MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES	2
2.1 Membership in the Townhome Association	2
2.2 Voting Rights	3
2.3 Majority of Owners.....	3
2.4 Quorum	3
2.5 Voting; Proxies	3
2.6 Authority to Vote	3
2.7 Fiduciaries and Joint Owners.....	4

ARTICLE 3

ADMINISTRATION.....	4
3.1 Townhome Association Responsibilities.....	4
3.2 Place of Meetings.....	5
3.3 Annual Meetings.....	5
3.4 Special Meetings.....	5
3.5 Notice of Meetings.....	6
3.6 Adjourned Meetings.....	6
3.7 Ballot Meetings.....	6
3.8 Order of Business.....	7

ARTICLE 4

BOARD OF DIRECTORS 8

- 4.1 Number and Qualification..... 8
- 4.2 Powers and Duties..... 8
- 4.3 Other Duties 8
 - 4.3.1 Commonly Maintained Property..... 8
 - 4.3.2 Reserves 9
 - 4.3.3 Assessment Collection 9
 - 4.3.4 Budget; Voucher System 9
 - 4.3.5 Insurance 9
 - 4.3.6 Personnel..... 9
 - 4.3.7 Financial Statements 9
 - 4.3.8 Rules..... 9
 - 4.3.9 Copies of Documents; Bank Accounts 10
 - 4.3.10 Tax Returns 10
 - 4.3.11 Mailing Address..... 10
 - 4.3.12 Professional Services 10
- 4.4 Limited Authority 10
 - 4.4.1 Third-Party Contracts..... 11
 - 4.4.2 Capital Expenditures 11
 - 4.4.3 Compensating Board Members..... 11
- 4.5 Managing Agent or Manager 12
- 4.6 Election and Term of Office 12
- 4.7 Vacancies 12
- 4.8 Removal of Directors..... 12
- 4.9 Organizational Meeting..... 13
- 4.10 Regular Meetings 13
- 4.11 Special Meetings 13
- 4.12 Waiver of Notice to Directors..... 13
- 4.13 Board of Directors' Quorum..... 14
- 4.14 Board Meetings Open to All Townhome Association Members..... 14
- 4.15 Notice to Townhome Association Members of Board Meetings..... 15
- 4.16 Emergency Meetings..... 15
- 4.17 Compensation of Directors 15

ARTICLE 5

OFFICERS 16

- 5.1 Designation 16
- 5.2 Election of Officers 16
- 5.3 Removal of Officers..... 16
- 5.4 President..... 16
- 5.5 Secretary..... 16
- 5.6 Treasurer 16
- 5.7 Directors as Officers 17

ARTICLE 6

ASSESSMENTS; OBLIGATIONS 17

- 6.1 Assessments 17
- 6.2 Investment of Reserve Account Funds 17
- 6.3 Income Tax Returns; Determination of Fiscal Year 18
 - 6.3.1 Fiscal Year 18
 - 6.3.2 Tax Returns 18
- 6.4 Statement of Assessments 18
- 6.5 Default 19
- 6.6 Maintenance and Repair 19
 - 6.6.1 Residential Units 19
 - 6.6.2 Commonly Maintained Property 19
 - 6.6.3 Reimbursement of Townhome Association 19
- 6.7 Right of Entry; Easements for Maintenance 20
 - 6.7.1 Emergencies 20
 - 6.7.2 Maintenance Easements 20

ARTICLE 7

USE AND OCCUPANCY RESTRICTIONS; RULES OF CONDUCT 20

- 7.1 Appearance of Residential Units 20
- 7.2 Nuisances 21
- 7.3 Improper, Offensive, or Unlawful Use 21
- 7.4 Additional Rules 22
- 7.5 Enforcement 22
- 7.6 Restriction on Exterior Installations 22
- 7.7 Fines 22

ARTICLE 8

INSURANCE 23

- 8.1 General 23
- 8.2 Types of Insurance Policies Maintained By the Townhome Association 23
 - 8.2.1 Property Insurance 23
 - 8.2.2 Liability 23
 - 8.2.3 Workers Compensation 24
 - 8.2.4 Directors' and Officers' Insurance 24
 - 8.2.5 Dishonesty Coverage 24
- 8.3 Insurance Companies Authorized 24
- 8.4 Provisions in Insurance Policies 24
 - 8.4.1 Waiver of Subrogation 24
 - 8.4.2 Noncancellation for Owner Conduct 24
 - 8.4.3 Noncancellation without Opportunity to Cure 25
 - 8.4.4 Other Insurance 25
- 8.5 Residential Unit Insurance Maintained by Each Owner 25
- 8.6 Review of Insurance Policies 25
- 8.7 Deductible Provisions 25
- 8.8 Adjustment of Loss 26
- 8.9 Reconstruction After Loss 26

ARTICLE 9		
AMENDMENT.....		26
ARTICLE 10		
RECORDS AND AUDITS.....		27
10.1 General Records.....		27
10.2 Assessment Roll.....		27
10.3 Payment of Vouchers.....		27
ARTICLE 11		
COMPLIANCE WITH THE PLANNED COMMUNITY ACT; CONFLICTS.....		28
ARTICLE 12		
INDEMNIFICATION OF DIRECTORS, OFFICERS.....		28
ARTICLE 13		
ASSESSMENT COLLECTION COSTS; SUITS AND ACTIONS		29
ARTICLE 14		
MISCELLANEOUS		30
14.1 Notices		30
14.2 Waiver.....		30
14.3 Invalidity; Number; Captions.....		30
ARTICLE 15		
ADOPTION		31

ARTICLE 6

ASSESSMENTS; OBLIGATIONS 17

- 6.1 Assessments 17
- 6.2 Investment of Reserve Account Funds 17
- 6.3 Income Tax Returns; Determination of Fiscal Year 18
 - 6.3.1 Fiscal Year 18
 - 6.3.2 Tax Returns 18
- 6.4 Statement of Assessments 18
- 6.5 Default 19
- 6.6 Maintenance and Repair 19
 - 6.6.1 Residential Units 19
 - 6.6.2 Commonly Maintained Property 19
 - 6.6.3 Reimbursement of Townhome Association 19
- 6.7 Right of Entry; Easements for Maintenance 20
 - 6.7.1 Emergencies 20
 - 6.7.2 Maintenance Easements 20

ARTICLE 7

USE AND OCCUPANCY RESTRICTIONS; RULES OF CONDUCT 20

- 7.1 Appearance of Residential Units 20
- 7.2 Nuisances 21
- 7.3 Improper, Offensive, or Unlawful Use 21
- 7.4 Additional Rules 22
- 7.5 Enforcement 22
- 7.6 Restriction on Exterior Installations 22
- 7.7 Fines 22

ARTICLE 8

INSURANCE 23

- 8.1 General 23
- 8.2 Types of Insurance Policies Maintained By the Townhome Association 23
 - 8.2.1 Property Insurance 23
 - 8.2.2 Liability 23
 - 8.2.3 Workers Compensation 24
 - 8.2.4 Directors' and Officers' Insurance 24
 - 8.2.5 Dishonesty Coverage 24
- 8.3 Insurance Companies Authorized 24
- 8.4 Provisions in Insurance Policies 24
 - 8.4.1 Waiver of Subrogation 24
 - 8.4.2 Noncancellation for Owner Conduct 24
 - 8.4.3 Noncancellation without Opportunity to Cure 25
 - 8.4.4 Other Insurance 25
- 8.5 Residential Unit Insurance Maintained by Each Owner 25
- 8.6 Review of Insurance Policies 25
- 8.7 Deductible Provisions 25
- 8.8 Adjustment of Loss 26
- 8.9 Reconstruction After Loss 26

ARTICLE 9		
AMENDMENT.....		26
ARTICLE 10		
RECORDS AND AUDITS.....		27
10.1 General Records.....		27
10.2 Assessment Roll.....		27
10.3 Payment of Vouchers.....		27
ARTICLE 11		
COMPLIANCE WITH THE PLANNED COMMUNITY ACT; CONFLICTS.....		28
ARTICLE 12		
INDEMNIFICATION OF DIRECTORS, OFFICERS.....		28
ARTICLE 13		
ASSESSMENT COLLECTION COSTS; SUITS AND ACTIONS		29
ARTICLE 14		
MISCELLANEOUS		30
14.1 Notices		30
14.2 Waiver.....		30
14.3 Invalidity; Number; Captions.....		30
ARTICLE 15		
ADOPTION		31

AMENDED AND RESTATED BYLAWS
OF
GARDEN HOMES AT CHARBONNEAU GREEN TOWNHOME ASSOCIATION

Garden Homes at Charbonneau Green Townhome Association (the "Townhome Association") is responsible for administering the affairs of Garden Homes at Charbonneau Green, a residential real estate development created pursuant to that certain Supplemental Declaration of Conditions and Restrictions relating to Charbonneau VII the Village at Wilsonville recorded in the Clackamas County records on September 29, 1978, as Instrument No. 78-42269, as amended from time to time thereafter, most recently by that certain Amendment recorded in the Clackamas County records on _____, 2011, as Instrument No. _____ (collectively, the "Declaration"). The original Bylaws of the Townhome Association were recorded in the Clackamas County records as Instrument No. 78-41514. The owners of the Townhome Association have voted to amend and restate the Bylaws to read in their entirety as follows. The Residential Units within the Townhome Association remain subject to those certain Covenants, Conditions, and Restrictions for Charbonneau Country Club recorded in the Clackamas County records on April 6, 1977, as Instrument No. 77-12613, as amended and supplemented from time to time thereafter.

ARTICLE 1.

PLAN OF RESIDENTIAL UNIT OWNERSHIP; DEFINITIONS

1.1 **Bylaws Applicability.** These Bylaws apply to the Residential Units in Garden Homes at Charbonneau Green, a planned community in Clackamas County, Oregon, and are subject to the Declaration, and the entire management structure thereof.

1.2 **Personal Application.** All present or future Owners, tenants, Occupants, and their employees, and any other person that might occupy any portion of the Properties in any

manner, shall be subject to the provisions set forth in these Bylaws. The acquisition, rental, or occupancy of any of the Residential Units shall constitute acceptance and ratification of these Bylaws and agreement to comply with all the provisions hereof.

1.3 **Definitions.** Capitalized terms used but not defined herein shall have meanings attributed to them in the Declaration.

1.4 **Oregon Planned Community Act.** The Property, all Residential Units and Owners thereof, the Townhome Association and all Members thereof, shall be subject to the Oregon Planned Community Act, ORS 94.550 et seq. (the "PCA").

ARTICLE 2.

TOWNHOME ASSOCIATION MEMBERSHIP, VOTING,

MAJORITY OF OWNERS, QUORUM, PROXIES

2.1 **Membership in the Townhome Association.** Upon recordation of a conveyance or contract to convey a Residential Unit, the grantee or purchaser named in such conveyance or contract shall automatically be and shall remain a Member of the Townhome Association until such time as such person's ownership ceases for any reason. For all purposes of the Declaration and the administration of the Property, Residential Unit ownership shall be determined from the records maintained by the Townhome Association. The record shall be established by the Owner filing with the Townhome Association a copy of the deed to or land sale contract for such Owner's Residential Unit, to which shall be affixed the certificate of the recording officer of the County of Clackamas, Oregon, showing the date and place of recording of such deed or contract. No person shall be recognized as an Owner unless a copy of the deed or contract has been filed with the Townhome Association as provided above showing such Owner to be the current Owner or contract purchaser of a Residential Unit.

2.2 Voting Rights. The Owners of each Residential Unit shall be entitled to a total of one (1) vote per Residential Unit. When more than one (1) person or entity owns a Residential Unit, the vote for such Residential Unit may be cast as they shall determine.

2.3 Majority of Owners. As used in these Bylaws, the term "majority" shall mean those Owners holding over fifty percent (50%) of the voting rights allocated to the Owners in accordance with the Declaration and Section 2.2 above. "Majority of Owners present" shall mean Owners holding over fifty percent (50%) of the votes present at any legal meeting.

2.4 Quorum. Except as otherwise provided in these Amended and Restated Bylaws or the PCA, the presence in person or by proxy of Owners holding twenty percent (20%) or more of the outstanding votes in the Townhome Association shall constitute a quorum.

2.5 Voting; Proxies. Owners may cast votes in person, by ballot, or by proxy. Proxies must be filed with the Secretary of the Townhome Association ("Secretary") before or during the appointed meeting. Proxies and ballots may be delivered via electronic communication to the secretary prior to the appointed meeting. A proxy shall expire one (1) year after the date it was signed unless a shorter period is specified in the proxy. The proxies may require the holder to cast a vote for or against any specific proposal set out in the notice calling the meeting. Unless withdrawn, a proxy given to another person to vote at a specific meeting shall also be valid at an adjourned meeting called under the provisions of Section 3.6. Proxies and ballots must be retained by the Townhome Association for one (1) year from the date of the determination of the vote.

2.6 Authority to Vote. All Owners, including those who have leased their Residential Unit to a third-party, shall be entitled to vote. An Owner's right to vote may not be

revoked. A purchaser under a contract of sale entitled to immediate possession of the Residential Unit shall be deemed the Owner thereof, unless otherwise provided in such contract.

2.7 Fiduciaries and Joint Owners. An executor, administrator, guardian, or trustee may vote at any meeting of the Townhome Association with respect to any Residential Unit owned or held by such person in such capacity, whether or not the same shall have been transferred to such person's name, provided that such person has satisfied the Secretary that such person is the executor, administrator, guardian, or trustee holding such Residential Unit in such capacity. Whenever any Residential Unit is owned by two (2) or more persons jointly according to the records of the Townhome Association, the vote of such Residential Unit may be exercised by any one of the Owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of such Residential Unit shall be disregarded for all purposes, except for determining whether a quorum is present.

ARTICLE 3.

ADMINISTRATION

3.1 Townhome Association Responsibilities. The Owners shall constitute the Members of the Townhome Association. Except as otherwise provided in the Declaration or these Bylaws, decisions required to be made by the Owners of the Townhome Association shall require approval by a majority of the Owners present at any legal meeting. A legal meeting is one duly called pursuant to these Bylaws at which a quorum is present, in person or by proxy at a formal gathering or, if a vote is taken by ballots, when ballots are returned representing the percentage of the vote constituting a quorum.

3.2 Place of Meetings. Formal meetings of the Townhome Association shall be held at suitable places convenient to the Owners as may be designated by the Board of Directors of the Townhome Association (the "Board").

3.3 Annual Meetings. The Board, by a Board action, shall cause a meeting of the Townhome Association to be held annually at a time announced by the Board, typically in the spring of each year. At such meetings, the Owners shall elect new members of the Board in accordance with the requirements of Section 4.6 of these Bylaws to replace those Directors whose terms have expired. The Owners also may transact such other business of the Townhome Association as may properly come before them. Annual meetings of the Townhome Association may not be conducted by written ballot. However, Owners who cannot attend the annual meeting in person may vote by proxy or ballot on matters on which it is known prior to the meeting that a vote will be taken. All ballots and proxies may be submitted electronically.

3.4 Special Meetings. The President shall call a special meeting of the Owners if so directed by two (2) or more members of the Board or a petition, presented to the Secretary and signed by Owners representing ten (10) or more Residential Units. All meetings called because of petition of Owners shall be held at a formal gathering, and not by written ballot, notice of which shall be sent not later than thirty (30) days after the Secretary's receipt of the petition. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business other than that stated in such notice shall be transacted at a special meeting unless by consent of all the Owners of the Residential Units or as otherwise set out in these Bylaws. However, Owners that cannot attend the special meeting in person may vote via absentee ballot or directed proxy which may be cast electronically.

3.5 Notice of Meetings. The Secretary shall mail by first class mail, hand deliver, or deliver via electronic communication, a notice of each annual and special meeting, stating the purpose thereof and the time and place where such meeting is to be held, to each Owner of record at least ten (10) but not more than fifty (50) days before such meeting or the date on which ballots are required to be returned. The Board of Directors may propose that the Owners take an action by ballot without a meeting, pursuant to the provisions of the PCA and the Oregon Nonprofit Corporation Act. Such notices shall be mailed to the Owner's mailing or email address last given to the Secretary in writing by the Owner or such Owner's vendee (buyer). If Residential Unit ownership is split or the Residential Unit has been sold on a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If no address has been given to the Secretary in writing, then mailing to the Residential Unit shall be sufficient. The mailing or emailing of a notice in the manner provided in this Section shall be considered notice served, except that any Owner may decline to receive notices or ballots electronically by sending written notice to the Secretary.

3.6 Adjourned Meetings. As permitted by ORS 65.214, if any gathering of Owners is not a legal meeting because a quorum was not present, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than twenty (20) days from the time of the original meeting. The quorum at an adjourned meeting shall be twenty percent (20%) of the Owners. The adjournment provisions of this Section do not apply to actions proposed to be taken solely by ballot.

3.7 Ballot Meetings. Unless prohibited or limited by the Articles of Incorporation of the Townhome Association, any action that may be taken at any annual or special meeting of the Owners may be taken without a meeting if the Townhome Association delivers a written ballot

to every Owner entitled to vote on the matter as provided in ORS 94.647. Provided, however, action by written ballot may not substitute for the annual meeting, a meeting to remove a director, or a special meeting called at the request of the Owners. Such ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. A proposed action shall be deemed to be approved by written ballot when the number of votes cast by ballot equals or exceeds any quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. The Board must provide Owners with at least ten (10) days' notice as required by ORS 94.647 before written ballots are mailed or otherwise 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 Owners 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 Owner and instructions for making and returning the ballot. The Board of Directors may extend the date for counting the ballots of a ballot meeting, in one or more extensions, for up to ninety (90) days after the originally scheduled ballot return date if a quorum of ballots has not been returned and/or for matters on which a certain percentage approval is required and that vote has not been received nor have sufficient votes in opposition been received to negate such approval. Provided, however, if a secret ballot is required, secrecy ballots may not be examined or counted prior to the date certain specified in the notice or any extension thereof.

3.8 **Order of Business.** The order of business at all annual meetings shall be as follows:

Roll call.
Proof of notice of meeting or waiver of notice.
Reading of minutes of the preceding meeting.
Reports of officers.
Reports of committees.
Election of inspectors of election.
Election of Directors.
Unfinished business.
New business.
Adjournment.

ARTICLE 4.

BOARD OF DIRECTORS

4.1 Number and Qualification. The Board shall be composed of five (5) persons, all of whom must be an Owner or a co-owner of a Residential Unit; provided, however, that if a Residential Unit is owned by more than one (1) Owner, only one (1) co-owner of that Residential Unit may serve on the Board of Directors at any one time. An officer or employee of a corporation, the trustee of a trust, the personal representative of an estate, or an employee of a trust or estate may serve on the Board if the corporation, trust, or estate owns a Residential Unit.

4.2 Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Townhome Association and may do all such acts and things as are not by law or by these Bylaws directed to be done by the Owners.

4.3 Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Townhome Association, the Board shall have authority to carry out and be responsible for the following matters:

4.3.1 Commonly Maintained Property. Maintenance, repair, replacement, care, and supervision of the Commonly Maintained Property.

4.3.2 Reserves. Establishment and maintenance of one or more replacement, major maintenance, and repair Reserve Accounts which the Board deems prudent for replacement of the Commonly Maintained Property.

4.3.3 Assessment Collection. Designation and collection of assessments from the Owners, in accordance with these Bylaws and the Declaration.

4.3.4 Budget; Voucher System. Establishment of a budget and payment of all common expenses of the Townhome Association and institution and maintenance of a voucher system for such payment, which shall require a sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of Townhome Association funds, in accordance with these Bylaws and the Declaration.

4.3.5 Insurance. Procurement and maintenance of insurance policies and payment of premiums therefor out of the common expense funds, as more specifically provided in Article 8 of these Bylaws.

4.3.6 Personnel. Designation and dismissal of the personnel necessary for the maintenance and operation of the Project.

4.3.7 Financial Statements. Causing the preparation and distribution of annual financial statements of the Townhome Association to each of the Owners, as more specifically provided in the Declaration.

4.3.8 Rules. Adoption and amendment of administrative Rules and Regulations governing the details of administration of the Townhome Association, including a fine schedule for violations of these Bylaws, the Declaration, or any rules or regulations promulgated thereunder. Provided, however, that any such Rules and Regulations shall always be subject to

rescission or amendment by the Townhome Association upon a majority vote of the voting rights present at any properly called meeting.

4.3.9 Copies of Documents; Bank Accounts. Maintaining all Townhome Association documents within the State of Oregon, depositing all assessments in a separate insured bank account in the name of the Townhome Association, payment of all expenses of the Townhome Association from the Townhome Association's bank account, maintaining and distributing financial statements, and maintaining copies suitable for duplication of the following: the Declaration, the Articles of Incorporation, the Bylaws, the Townhome Association rules and regulations and any amendments thereto, the most recent annual financial statement, and the current operating budget of the Townhome Association. Further, the Board of Directors shall cause to be maintained and kept current the information required to enable the Townhome Association to comply with ORS 94.670.

4.3.10 Tax Returns. Causing the Townhome Association to file the necessary tax returns of the Townhome Association.

4.3.11 Mailing Address. Establishing and maintaining a current mailing address for the Townhome Association.

4.3.12 Professional Services. Employment of legal, accounting, and other personnel or consultants for reasonable compensation to perform such services as may be required for the proper administration of the Townhome Association, and preparing and filing the required income tax returns or forms.

4.4 Limited Authority. The Board shall not take any of the following actions, except with the vote or written assent of a majority of the voting power of the Owners:

4.4.1 Third-Party Contracts. Enter into a contract with a third-party wherein the third person will furnish goods or services for the Commonly Maintained Property, or the Townhome Association for a term longer than one (1) year with the following exceptions:

(a) Management contract, the provisions of which have been approved by the Federal Housing Administration, U.S. Housing and Urban Development, or Veterans Administration.

(b) A contract with a public utility company in Clackamas County, or a service contract if the rates charged for the materials or services are regulated by the Oregon Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(c) A prepaid casualty and/or liability insurance policy the term of which does not exceed three (3) years, provided that the policy permits short-rate cancellation by the insured.

4.4.2 Capital Expenditures. Incur aggregate expenditures for capital improvements (as opposed to maintenance, repair, and replacement costs) to the Commonly Maintained Property, during any fiscal year in excess of twenty percent (20%) of the budgeted gross expenses of the Townhome Association for that fiscal year.

4.4.3 Compensating Board Members. Pay compensation to members of the Board or officers of the Townhome Association for services performed in the conduct of the Townhome Association's business; provided, however, that the Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Townhome Association.

4.5 Managing Agent or Manager. The Board may employ a managing agent or manager, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4.3 of these Bylaws. Any such management contract must be cancelable without penalty upon ninety (90) days' written notice.

4.6 Election and Term of Office. Upon expiration of the term of office of each respective Director, such Director's successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

4.7 Vacancies. Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Townhome Association shall be filled for the balance of the term of each directorship by vote of a majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected upon expiration of the term for which such person was elected by the other Directors to serve.

4.8 Removal of Directors. At any legal meeting at which removal of a Director is on the agenda (not including actions proposed to be taken by written ballot without a meeting), any one (1) or more of the Directors may be removed with or without cause, by a majority vote of the total voting power of the Owners and a successor may be then and there elected to fill the vacancy thus created; provided, however, that the notice of meeting shall specifically indicate that the removal of one (1) or more named Directors is an agenda item for such meeting. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at such meeting.

4.9 Organizational Meeting. The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the Townhome Association meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to hold such meeting legally, providing a majority of the newly elected Directors are present.

4.10 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings of the Board shall be given at least three (3) days in advance to each Director, given personally or by mail, telephone, e-mail, or facsimile, which notice shall state the time, place, and purpose of the meeting.

4.11 Special Meetings. Special meetings of the Board may be called by the President or Secretary or on the written request of a majority of the Directors. Notice of special meetings of the Board shall be given at least three (3) days in advance to each Director, given personally or by mail, telephone, e-mail, or facsimile, which notice shall state the time, place, and purpose of the meeting. Board action at any special meeting shall be limited to the items stated in the meeting notice.

4.12 Waiver of Notice to Directors. Before, at, or after any meeting of the Board, any Director may waive notice of such meeting in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by such Director of the time and place thereof. If all the Directors are present at any regular meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting.

4.13 Board of Directors Quorum; Action. At all meetings of the Board, a minimum of four (4) existing Directors shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at such meeting shall be the acts of the Board. If quorum requirements are not met at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting as originally called may be transacted without further notice to Board members or Owners.

4.14 Board Meetings Open to All Townhome Association Members. Except for executive sessions, all meetings of the Board shall be open to any and all Members of the Townhome Association; provided, however, that no Townhome Association Member shall have a right to participate in the Board's meetings unless such Member is also a member of the Board. The President shall have authority to exclude any Townhome Association Member who disrupts the proceedings at a meeting of the Board. At the discretion of the Board, the following matters may be considered in executive sessions:

- (a) Consultation with legal counsel;
- (b) Personnel matters, including salary negotiations and employee discipline;
- (c) Negotiation of contracts with third parties;
- (d) Collection of assessments; and
- (e) For any other purpose permitted by the PCA.

Except in the case of an emergency, the Board shall vote in an open meeting whether to meet in executive session. If the Board votes to meet in executive session, the presiding officer of the Board shall state the general nature of the action to be considered, as precisely as possible, when and under what circumstances the deliberations can be disclosed to Owners. The

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

4.15 Notice to Townhome Association Members of Board Meetings. The Board shall give Owners notice of regular Board meetings at the beginning of each year by first class mail, electronic communication, or other reasonable means setting out the time and place of the regular meetings. For any changed time or place, the notice requirements for special meetings shall apply. Notice of special Board meetings shall be posted at a conspicuous place within the project at least three (3) days before the meeting.

4.16 Emergency Meetings. In the event of an emergency, Board of Directors meetings may be conducted by telephonic communication or by the use of a means of communication that allows all Board members participating to hear each other simultaneously or otherwise to be able to communicate during the meeting. No notice to either Directors or Townhome Association members shall be required for such meetings of the Board of Directors to be held for any emergency action, except that no such meeting shall occur unless at least two-thirds (2/3) of the Board of Directors participate in the same and after an attempt has been made to reach each Director.

4.17 Compensation of Directors. No Director shall be compensated in any manner, except for reimbursement for out-of-pocket expenses, unless such compensation is approved by vote of the Owners.

ARTICLE 5.

OFFICERS

5.1 **Designation.** The principal officers of the Townhome Association shall be a President, a Secretary, and a Treasurer, all of whom shall be elected by the Directors. The Directors may appoint an assistant treasurer and an assistant secretary, and any such other officers as in their judgment may be necessary.

5.2 **Election of Officers.** The officers of the Townhome Association may be elected by the Board at the organizational meeting of each new Board or any Board meeting thereafter, and shall hold office at the pleasure of the Board.

5.3 **Removal of Officers.** Upon an affirmative vote of a majority of the Board, any officer may be removed, with or without cause, from such person's position as an officer, and such officer's successor may be elected at any regular or special meeting of the Board.

5.4 **President.** The President shall be the chief executive officer of the Townhome Association and shall preside at all meetings of the Townhome Association and the Board. The President shall have all of the general powers and duties which are usually vested in the office of president of an association. The President shall be a Residential Unit Owner or co-owner.

5.5 **Secretary.** The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Townhome Association and shall have charge of such books and papers as the Board may direct; and shall, in general, perform all the duties incident of the office of secretary.

5.6 **Treasurer.** The Treasurer shall have responsibility for Townhome Association funds and securities not otherwise held by any managing agent and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the

Townhome Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Townhome Association in such depositories as may from time to time be designated by the Board.

5.7 **Directors as Officers.** Any Director may be an officer of the Townhome Association.

ARTICLE 6.

ASSESSMENTS; OBLIGATIONS

6.1 **Assessments.** All Owners are obligated to pay assessments imposed by the Townhome Association to meet all the Townhome Association's general common expenses, as more particularly set forth in the Declaration. Assessments shall be payable on a periodic basis, not more frequently than monthly, as determined by the Board. The Board may, but shall not be required to, impose interest or a service charge for late installment payments or allow a discount for payment of the annual assessment or any installment in advance.

6.2 **Investment of Reserve Account Funds.** Assessments paid into Reserve Accounts shall be kept with a safe and responsible depository, shall be accounted for separately and, if invested, the obligation or security shall be fully guaranteed as to principal by the United States of America or one of its agencies. Assessments paid into the Reserve Accounts are the property of the Townhome Association and are not refundable to sellers of Residential Units. However, nothing contained herein shall prevent sellers of Residential Units from treating their outstanding allocable share of Reserve Accounts as a separate or reimbursable item in a sales agreement. No Owner shall have any individual rights in any of these reserves, although it is understood that the value of an Owner's Residential Unit may increase in proportion to such Residential Unit's right to receive repair, maintenance, and replacement therefrom.

6.3 Income Tax Returns; Determination of Fiscal Year.

6.3.1 Fiscal Year. The fiscal year of the Townhome Association shall be the calendar year unless otherwise determined by the Board.

6.3.2 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.

6.4 Statement of Assessments.

6.4.1 The Townhome Association shall provide, within ten (10) business days of receipt of a written request from an Owner, a written statement that provides:

6.4.1.1 The amount of assessments due from the Owner and unpaid at the time the request was received, including:

- (a) Regular and special assessments;
- (b) Fines and other charges;
- (c) Accrued interest; and
- (d) Late payment charges.

6.4.1.2 The percentage rate at which interest accrues on assessments that are not paid when due.

6.4.1.3 The percentage rate used to calculate the charges for late payment or the amount of a fixed charge for late payment.

6.4.2 The Townhome Association is not required to comply with Section 6.4.1 if the Townhome Association has commenced litigation by filing a complaint against the Owner and the litigation is pending when the statement would otherwise be due.

6.5 Default. Failure by an Owner to pay any assessment of the Townhome Association shall be a default by such Owner of such Owner's obligations pursuant to these Bylaws and the Declaration. The Townhome Association shall be entitled to the remedies set forth in the Declaration.

6.6 Maintenance and Repair.

6.6.1 Residential Units. Except as otherwise specifically provided in the Declaration and these Bylaws, every Owner must perform promptly all maintenance and repair work to such Owner's Residential Unit and the exterior of those improvements thereon that do not constitute Commonly Maintained Property, and keep the same in good repair and sanitary and neat condition.

6.6.2 Commonly Maintained Property. The Townhome Association shall repair and maintain the Commonly Maintained Property, subject to the provisions of subsection 6.6.3. The Commonly Maintained Property includes Common Area designated as such by the plat of the development, together with the other areas described in Article I, Section 6 of the Declaration.

6.6.3 Reimbursement of Townhome Association. An Owner shall reimburse the Townhome Association for any expenditures incurred in repairing or replacing any portion of the Commonly Maintained Property that was damaged through such Owner's fault and that is not otherwise covered by insurance policies carried by the Owner or the Townhome Association for the Owner's and the Townhome Association's benefit. In such circumstances, the insurance obtained by the Owner shall be deemed to be the primary coverage. The Board of Directors shall have the unfettered discretion to refuse to make a claim on the Townhome Association's policy in such circumstances even though coverage may pertain. Such discretion is for the purpose of

maintaining the Townhome Association's insurability and controlling the amount of the premiums for the Townhome Association's insurance. Such charge shall be collectible as an assessment as provided in the Declaration.

6.7 Right of Entry; Easements for Maintenance.

6.7.1 Emergencies. Present and future Owners, tenants, Occupants, and any other persons that occupy any portion of the Property, by virtue of acquisition, rental, or occupancy of any of the Residential Units, grant to the management agent or to any other person authorized by the Board or the Townhome Association the right to enter upon such Residential Unit in the event of an emergency originating in or threatening any Owner's Residential Unit.

6.7.2 Maintenance Easements. The Townhome Association shall have an easement in and through any Residential Unit access at reasonable times and with reasonable notice for purposes of maintenance, repair, and replacement of the Commonly Maintained Property. If, in performing such repair and maintenance, the Townhome Association needs to alter or damage any Residential Unit or Commonly Maintained Property, it may do so without providing compensation, provided that it promptly restores the Residential Unit and/or Commonly Maintained Property to substantially its prior condition.

ARTICLE 7.

USE AND OCCUPANCY RESTRICTIONS; RULES OF CONDUCT

In addition to the restrictions and rules of conduct set forth in the Declaration, the following shall apply:

7.1 Appearance of Residential Units. Owners shall keep their Residential Units and the improvements thereon in good repair, clean, and with painted, stained, or other finished exteriors compatible with the Architectural Standards, the Declaration, and Rules and

Regulations. Provided, however, the Townhome Association shall have such obligations with respect to the Commonly Maintained Property.

7.2 Nuisances. No Owner or Occupant shall cause or permit such Owner's representatives, agents, employees, or family members to cause any nuisance or to make any use or engage in any practice on the Property that is a source of annoyance to other Owners and Occupants or that interferes with other Owners' and Occupants' peaceful possession and proper use of the Property. Owners and Occupants shall exercise extreme care about creating disturbances, making noises, or using musical instruments, radios, televisions, and amplifiers that may disturb other Owners and Occupants. Owners and Occupants shall keep all parts of their respective Residential Units in a clean and sanitary condition, free of any accumulation of rubbish, refuse, or garbage and free of any fire hazard and shall not cause any accumulation of rubbish, refuse, or garbage or any fire hazard on any other part of the Property. Owners and Occupants shall place all of their rubbish, refuse, and garbage inside disposal containers. No Owner shall make or permit any use of such Owner's Residential Unit that will increase the cost of insurance.

7.3 Improper, Offensive or Unlawful Use. No Owner or Occupant shall make any improper, offensive, or unlawful use of any part of the Properties. Owners and Occupants shall observe all valid laws, zoning ordinances, and regulations of governmental bodies having jurisdiction over the Properties. The responsibility for meeting the requirements of governmental bodies for maintenance, modification, or repair of the Properties shall be carried out and paid for in the same manner as the responsibility for the maintenance and repair of the Properties concerned.

7.4 **Additional Rules.** In addition to the rules set forth in this Article 7, the Board may promulgate and amend, from time to time, Rules and Regulations concerning other use of the Property and shall furnish copies of such Rules and Regulations to any Owner or occupant requesting such copies. Owners are required to provide a copy of any rules to the Occupants and tenants of their Residential Units.

7.5 **Enforcement.** The Townhome Association, through its Board of Directors, shall have the power to enforce the covenants and restrictions in these Bylaws and in the Declaration. Owners shall also have the right to bring actions or suits regarding covenants and restrictions, but shall have no right or power to require the Townhome Association or Board of Directors to take any enforcement action.

7.6 **Restriction on Exterior Installations.** Except as permitted by law, no Owner, resident, or tenant shall install wiring for electrical or telephone installation, machines, or air conditioning units or similar devices on the exterior of the building(s) or cause them to protrude through the walls or the roof of the building(s) except as authorized in writing by the Board of Directors, and, if the modification or installation would require an easement pursuant to the Declaration, then prior approval by the required percentage of Owners. No window guards, awnings, or shades shall be installed without the prior written consent of the Board of Directors.

7.7 **Fines.** The Board of Directors may, after giving written notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations of the Townhome Association, provided that fines levied are based on a schedule previously adopted by Board resolution that is mailed to the mailing address of each Residential Unit or mailed to the mailing address designated in writing by the Owner(s).

ARTICLE 8.

INSURANCE

8.1 General. The Board shall obtain and maintain at all times insurance of the type and kind and in the amounts hereinafter provided and additional insurance for such other risks of a similar or dissimilar nature as are now or as shall be hereafter customarily covered by insurance obtained by other planned communities similar in construction, design, and ownership. Such additional insurance shall be governed by this Article 8.

8.2 Types of Insurance Policies Maintained By the Townhome Association. For the benefit of the Townhome Association and the Owners, the Board shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance to the extent that it is available at reasonable cost:

8.2.1 Property Insurance. A policy or policies of property insurance, including, but not limited to, fire, extended coverage, vandalism, and malicious mischief, for the full insurable replacement value of the Common Area and Residential Units to the extent such insurance is available and, if available at a reasonable cost, shall obtain building code and actual replacement cost endorsements, if necessary, and earthquake insurance.

8.2.2 Liability. A policy or policies insuring the Townhome Association, its Board, the Owners individually, and the manager against any liability to the public or the Owners and their invitees or tenants, incident to the ownership, supervision, control, or use of the Commonly Maintained Property. Limits of liability under such insurance shall be not less than one million dollars (\$1,000,000) per occurrence for bodily injuries and property damage liability. Such minimum and coverage shall be reviewed at least annually by the Board, which may

increase the limit of and/or coverage, in its discretion. Said policy or policies shall be issued on a commercial General Liability form and shall provide that the rights of the named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured.

8.2.3 Workers Compensation. Workers Compensation Insurance to the extent that it is necessary to comply with any applicable laws.

8.2.4 Directors' and Officers' Insurance. Directors' and officers' insurance insuring the directors and officers.

8.2.5 Dishonesty Coverage. Coverage insuring the Townhome Association against loss resulting from the dishonest acts of Association officers, Directors, employees and independent contractors.

8.3 Insurance Companies Authorized. All policies obtained under this Article 8 shall be written by a company licensed to do business in Oregon and holding a "Commissioner's Rating" of "B+" and a size rating of "IX," or better, by Best's Insurance Reports, or as may be otherwise acceptable to all mortgagees and Directors.

8.4 Provisions in Insurance Policies. The Board shall make every reasonable effort to secure insurance policies that will provide for the following:

8.4.1 Waiver of Subrogation. A waiver of subrogation by the insurer as to any claims against the Board, the officers, the manager, the Owners and their respective servants, agents, guests, and tenants.

8.4.2 Noncancellation for Owner Conduct. A provision that the master policy on the Property cannot be canceled, invalidated, or suspended mid-term on account of the conduct of any one or more individual Owners.

8.4.3 Noncancellation Without Opportunity to Cure. A provision that the master policy on the Property cannot be canceled, invalidated, or suspended on account of the conduct of any officer, Board member, or employee of the Board or the manager without prior demand in writing that the Board or manager cure the defect.

8.4.4 Other Insurance. In cases where coverage may be provided both by the Townhome Association's policy and an Owner's individual policy, the Owner's individual policy shall be primary.

8.5 Residential Unit Insurance Maintained By Each Owner. The Townhome Association shall have no responsibility to procure or to assist Owners or Occupants in procuring property loss insurance or liability insurance other than as expressly stated in this Article 8. Owners and Occupants shall procure all other insurance coverage that they deem necessary or prudent for their protection, and shall be obligated to carry liability insurance with minimum combined limits of \$100,000 per occurrence.

8.6 Review of Insurance Policies. At least annually, the Board shall review all insurance carried by the Townhome Association, which review shall include a consultation with a representative of the insurance carrier writing the master policy.

8.7 Deductible Provisions. The Board of Directors may negotiate the amount of the deductible in all Townhome Association insurance policies at such limits as are reasonable and customary under the circumstances and the deductible amount may be set at different levels for different insured risks. The Board shall adopt a resolution providing the responsibility for payment of the deductible. If no such resolution has been adopted, the Townhome Association shall be responsible for the deductible.

8.8 Adjustment of Loss. The Townhome Association's Board of Directors shall be solely responsible for the adjustment of all losses under all insurance policies paid for by the Townhome Association, and, to the full extent necessary in order to vest such authority in the Board of Directors, the Board of Directors shall be attorney-in-fact for all owners in connection with the adjustment and settlement of any claim or loss under any and all insurance policies.

8.9 Reconstruction After Loss. In order to protect and preserve the appearance and value of all of the Property, each owner is required to repair and reconstruct such owner's residence after each loss to it, regardless of whether insurance proceeds are available or, if available, sufficient for such purpose. If an owner fails properly so to repair or rebuild, then the Association, by resolution of its Board of Directors, may do so after fifteen (15) written days' notice to the owner of the Association's intent to do so, if the owner fails to commence such repair or reconstruction within such period, or if such owner fails thereafter diligently to prosecute such repair or reconstruction to completion without delay or interruption. All expenses incurred by the Association on behalf of said owner in completing such repair or reconstruction shall be repaid by such owner promptly upon demand, and if not so repaid, shall be a lien upon such owner's Residential Unit. If all such expenses have not been reimbursed to the Association within forty-five (45) days after the Association's expenditure of the same and written demand for reimbursement of the same, the Association may foreclose its lien against such owner's Residential Unit as otherwise provided by law.

ARTICLE 9.

AMENDMENT

Except as otherwise provided in this Article, and the restrictions set forth elsewhere herein, these Bylaws may be amended at any time by an instrument approved by at least a

majority of the total votes. Any amendment must be executed, recorded, and certified as provided by law. Provided, however, no amendment of these Bylaws may effect an amendment of the Declaration or the Articles of Incorporation without compliance with the provisions of such documents and the Oregon Nonprofit Corporation Act (ORS, Chapter 65).

ARTICLE 10.

RECORDS AND AUDITS

10.1 General Records. The Board and the managing agent or manager, if any, shall preserve and maintain minutes of the meetings of the Townhome Association, the Board and any Board committees as required by ORS 94.670. The Board shall maintain a list of Owners entitled to vote at meetings of the Townhome Association. The minutes of the Townhome Association, the Board and Board committees, and the Townhome Association's financial records shall be reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Townhome Association for providing copies. Proxies and ballots must be retained by the Townhome Association for one (1) year from the date of determination of the vote.

10.2 Assessment Roll. The Board and the managing agent or manager, if any, shall maintain the assessment roll in a set of accounting books in which there shall be an account for each Residential Unit. Such account shall designate the name and address of the Owner or Owners, the amount of each assessment against the Owner, the dates on which and the amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

10.3 Payment of Vouchers. The Treasurer or management agent shall pay all expenses authorized by the Board. The Treasurer or management agent shall maintain and

follow reasonable procedures to assure the accounts and proper records, and to assure that all expenditures are proper. Except in cases where an emergency exists (for example, a repair must be made immediately to prevent further damage), any voucher for non-budgeted items shall require the signature of the President; provided, however, that any withdrawal from Reserve Accounts shall require the signature of two Board members or one Board member and an officer of the Townhome Association who is not a Board member.

ARTICLE 11.

COMPLIANCE WITH THE PLANNED COMMUNITY ACT; CONFLICTS

These Bylaws are intended to comply with the provisions of the PCA. In case of any conflict among the provisions of the PCA, the Declaration, or these Bylaws, the provisions of the PCA shall control over those of the Declaration, and the provisions of the Declaration shall control over those of these Bylaws.

ARTICLE 12.

INDEMNIFICATION OF DIRECTORS, OFFICERS

The Townhome Association shall indemnify any Director or officer, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Townhome Association) by reason of the fact that such person is or was a Director or officer of the Townhome Association or is or was serving at the request of the Townhome Association as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action, or proceeding if such person acted in good faith and in a manner that such person reasonably

believed to be in, or not opposed to, the best interest of the Townhome Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe that such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner that such person reasonably believed to be in, or not opposed to, the best interest of the Townhome Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe that such person's conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit, or proceeding as and when incurred, subject only to the right of the Townhome Association to reimbursement of such payment from such person, should it be proven at a later time that such person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Townhome Association as a Director or officer shall have a right of contribution over and against all other Directors or officers and Members of the Townhome Association who participated with or benefited from the acts that created said liability.

ARTICLE 13.

ASSESSMENT COLLECTION COSTS; SUITS AND ACTIONS

An Owner shall be obliged to pay reasonable fees and costs (including, but not limited to, attorneys' fees) and actual administrative costs incurred in connection with efforts to collect any delinquent unpaid assessments from such Owner, whether or not suit or action is filed. Assessments against Owners may include fees, late charges, fines, and interest imposed by the Board, in addition to amounts owed toward operating expenses and the funding of reserves. If the Townhome Association brings against any Owner or Owners a suit or action for the

collection of any amounts due pursuant to or for the enforcement of any provisions of the Declaration, the Articles or these Bylaws, such Owner or Owners, jointly and severally, shall pay, in addition to all other obligations, the costs of such suit or action, including actual administrative expenses incurred by the Townhome Association because of the matter or act which is the subject of the suit, reasonable attorneys' fees to be fixed by the trial court and, in the event of an appeal, the cost of the appeal, together with reasonable attorneys' fees in the appellate court to be fixed by such court.

ARTICLE 14.

MISCELLANEOUS

14.1 Notices. All notices to the Townhome Association or to the Board shall be sent care of the managing agent or, if there is no managing agent, to the principal office of the Townhome Association or to such other address as the Board hereafter may designate from time to time. All notices to any Owner shall be sent to such address as may have been designated by such Owner from time to time, in writing, to the Board, or if no address has been designated, then to such Owner's Residential Unit.

14.2 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.

14.3 Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws; provided, however, that if any of the provisions of these Bylaws would violate the rule

against perpetuities or any other limitation on the duration of the provisions herein contained imposed by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law, or in the event the rule against perpetuities applies, until twenty-one (21) years after the death of the last survivor of the now living descendants of President Barack Obama. As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

ARTICLE 15.

ADOPTION

It is hereby certified that these Bylaws have been adopted by the Garden Homes at Charbonneau Green Townhome Association and approved in the manner required by the Bylaws in effect immediately before the adoption of this document.

DATED this 19 day of JANUARY, 2011.

**GARDEN HOMES AT CHARBONNEAU
GREEN TOWNHOME ASSOCIATION**

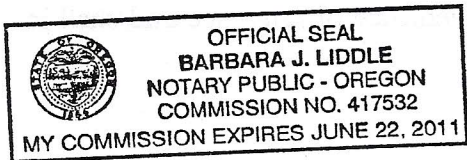
By: Madge Semper
Its President

By: Thomas W. Pyle
Its Secretary

(ACKNOWLEDGMENTS ON FOLLOWING PAGE)

STATE OF OREGON)
County of Clackamas) ss. January 26, 2011

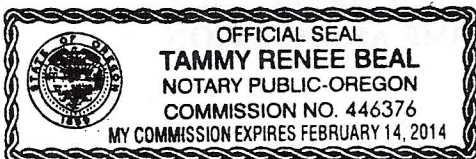
Personally appeared before me the above-named MADGE SEMPST, who, being duly sworn, did say that she is the **President** of Garden Homes at Charbonneau Green Townhome Association, and that said instrument was signed in behalf of said association by authority of its Board of Directors, and acknowledged said instrument to be ___ voluntary act and deed.



Barbara J. Liddle
Notary Public for Oregon

STATE OF OREGON)
County of Clackamas) ss. Feb , 07, 2011

Personally appeared before me the above-named Thomas Pyle and who, being duly sworn, did say that he is the **Secretary** of Garden Homes at Charbonneau Green Townhome Association, and that said instrument was signed in behalf of said association by authority of its Board of Directors, and acknowledged said instrument to be ___ voluntary act and deed.



Tammy Renee Beal
Notary Public for Oregon