

**RESTATED
BYLAWS OF**

**WEST POWELL BUTTE ESTATES
PROPERTY OWNERS ASSOCIATION**

**ARTICLE I
NAME AND PURPOSE**

The name of this Association shall be WEST POWELL BUTTE ESTATES PROPERTY OWNERS ASSOCIATION, INC. The purpose of the Association is to arrange for maintenance of common area, collect assessments for maintaining common areas, enforcement of the Covenants, Conditions & Restrictions, and to protect property values and the mutual enjoyment of property use by all property owners, to facilitate endeavors of common interest to the members, and to preserve the existing natural environment.

**ARTICLE II
MEMBERSHIP**

SECTION 1. MEMBERSHIP. All owners of property within the WEST POWELL BUTTE ESTATES development shall automatically become members of the Association. The vested ownership of each parcel of land shall automatically become members of the Association. Owners are entitled to one vote per parcel of land owned. Joint owners must advise the secretary, prior to any meeting or mail vote, as to who will exercise the vote for each parcel jointly held. Votes may be cast in person, by mail, or by proxy. Proxies must be in writing, signed by the voting member(s) and submitted to the Board before or at the time of voting.

SECTION 2. ANNUAL MEETING OF ASSOCIATION. An annual Association meeting shall be held during the month of June or at such other time as the Board of Directors may choose. The meeting agenda shall include an annual report of the Board concerning Association activities, the Treasurer's Report, the election or reelection of Board members, and such other business as the Board or members of the Association may introduce.

SECTION 3. SPECIAL MEETINGS OF ASSOCIATION. Special Association meetings may be called by the Secretary upon resolution of the Board or upon written petition of ten percent (10%) of the voting members. The petition shall be submitted to the Secretary and shall state the purpose of the special meeting being requested and is to specify a period of two (2) weeks within which the meeting may be held; provided, however, that the petition be delivered to the Secretary no less than one (1) week before the specified period. The Secretary shall verify that the petition is signed by ten percent (10%) of the voting members and, if the petition is so sufficient, shall issue notice to the members of the meeting with an agenda reflecting the petitioner's statement of the

purpose of the meeting. The Board may, but is not compelled, to call a special meeting or conduct a vote on any issue it feels membership has voted upon within the past six (6) months.

SECTION 4. NOTICE OF MEETING. Notice of all meeting of the members shall be given to each member at the last address of record, by first class mail at least 20 days before the meeting, or by means other than first class mail at least 20 but not more than 60 days before the meeting. The notice shall include the date, time, place and purpose of the meeting.

SECTION 5. QUORUM AND VOTING. At any regular or special meeting of the Association, twenty-five percent (25%) of the membership shall be physically present, vote by mail or vote by proxy to constitute a quorum. Approval of any amendment to the Bylaws will require a two-thirds (2/3) majority vote of the eligible voters represented at the meeting. Any membership meeting at which a quorum is not present may be adjourned from seven (7) to fourteen (14) days. Notice will be given to all voting members of the adjourned meeting. A quorum will consist of five percent (5%) of the membership. Said quorum will consist of members physically present, voting by mail or voting by written proxy.

SECTION 6. TRANSACTION OF BUSINESS AT ASSOCIATION MEETINGS. At an Association meeting, declarative resolutions may be adopted and instruction may be issued to the Board, provided they do not abridge powers specifically granted to the Board by these Bylaws. At a special meeting of the membership, no business may be transacted other than that stated in the agenda as the purpose of the meeting, without the unanimous consent of the members present. At the regular or special meeting, each membership shall be given an opportunity to be heard and to discuss the issues, but, the presiding member of the Board may limit the time given to each member to speak, or set forth other measures designed to conduct an orderly meeting.

SECTION 7. PROXY VOTING. Voting by proxy shall be allowed.

SECTION 8. ACTION BY CONSENT. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a members' meeting, may be taken without a meeting if a consent in writing, setting forth the action to be taken or so taken, shall be signed by all the members.

SECTION 9. MAIL VOTE. Whenever, in the judgment of the Board of Directors, any question shall arise that requires a vote of the membership, except voting to amend the Bylaws, and when the Board deems it inappropriate to call a special meeting for that purpose, the Board may submit the matter to the membership in writing by mail for vote and decision. The question thus presented shall be decided according to a majority of the votes received by mail within two (2) weeks after such submission to the membership, provided that in each case votes of at least twenty-five percent (25%) of the members shall be received. Action taken in this manner shall be as effective as action taken at a duly called meeting.

**ARTICLE III
BOARD OF DIRECTORS**

SECTION 1. INTERIM BOARD & ELECTION PROCEDURES FOR BOARD OF DIRECTORS. There shall be an interim board of directors who are named in the Articles of Incorporation and who shall serve as the Board of Directors of the Association until their successors have been elected by the Owners at the turnover meeting described in this section. The interim board of directors shall call a meeting of the Association for the purpose of turning over administration responsibility for the Property to the Association not later than 120 days after seventy-five percent (75%) of the lots in the subdivision have been sold. At the turnover meeting, the interim directors shall resign and their successors shall be elected by the Owners as provided in these Bylaws. If the interim board of directors fails to call the turnover meeting as required by this section, ten percent (10%) of the Owners of the Lots may call the meeting by giving notice as provided in these Bylaws.

SECTION 2. DUTIES. The Board shall administer all business carried on by the Association consistent with actions voted upon by the Association membership and by these Bylaws. The Board shall issue annually a full report of its work during the year and of the condition of the Association. The Board shall submit an Annual Financial Statement to the Association membership.

The Board shall also have the following powers:

1. To establish advisory committees, as deemed appropriate, of individuals to serve without compensation.
2. To provide information and other services for members or potential members as the Board deems advisable.
3. To provide for maintenance and preservation of the common area and roads in the development.
4. To enforce the recorded Conditions, Covenants and Restrictions ("CC&R's") on the property on behalf of all property owners, appoint a Plan Review Committee, and enforce the building and use restrictions set forth in the CC&R's.
5. To levy assessments to pay expenses incurred by the Association in maintaining the common area, enforcement of the CC&R's, and operation of the Association.

SECTION 3. NUMBER (AND QUALIFICATIONS). The affairs of the corporation shall be managed by the Board of Directors. The management of the Association shall be vested in a Board of Directors of five (5) persons, each of whom is a member of the Association residing in the development. At the turnover meeting there shall be five (5) Board members elected by the

members of the Association. For continuity of experience, directors will serve staggered terms. At annual elections, candidates will be nominated to fill vacancies only, and will serve two (2) year terms if elected. Incumbents may run for reelection. Terms of newly elected Board members will begin fifteen (15) days after they are elected.

SECTION 4. TERM AND ELECTION. The term of office for Directors shall be two years. A Director may be reelected without limitation on the number of terms s/he may serve. The Board shall be elected by the members at the annual meeting of the members.

SECTION 5. BOARD VACANCIES AND RECALLS. If a vacancy occurs on the Board of Directors before the completion of a term of office, the Board shall appoint a member of the Association to serve the remainder of the vacating member's term. A directorship shall be deemed vacant in the case of any director who resigns their position on the Board, or in the case of any director who fails to attend three consecutive regular meetings, after having received customary notice of these meetings, unless the person has a reason for their absences that is acceptable to the Board. A director may be recalled by a majority vote of the membership at a special or annual meeting.

SECTION 6. QUORUM AND ACTION. A quorum at a board meeting shall be a majority of the number of Directors prescribed by the Board, or if no number is prescribed, by a majority of all Directors in office immediately before the meeting begins. If a quorum is present, action is taken by a majority vote of directors present. Where the law requires a majority vote of directors in office to establish committees that exercise Board functions, to amend the Articles of Incorporation, to sell assets not in the regular course of business, to merge, to dissolve, or for other matters, such action is taken by that majority as required by law.

SECTION 7. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held at the time and place to be determined by the Board of Directors. No other notice of the date, time, place, or purpose of these meetings is required.

SECTION 8. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held at the time and place to be determined by the Board of Directors. Notice of such meetings, describing the date, time, place and purpose of the meeting, shall be delivered to each Director personally or by telephone or by mail not less than two days prior to the special meeting.

SECTION 9. MEETING BY TELECOMMUNICATION. Any regular or special meeting of the Board of Directors may be held by telephone or telecommunications, as long as all Directors can hear each other.

SECTION 10. NO SALARY. Directors shall not receive salaries for their Board services, but may be reimbursed for expenses related to Board service.

SECTION 11. ACTION BY CONSENT. Any action required by law to be taken at a meeting of the Board, or any action which may be taken at a Board meeting, may be taken without a meeting if a consent in writing, setting forth the action to be taken or so taken, shall be signed by all the Directors.

ARTICLE IV COMMITTEES

SECTION 1. PLAN REVIEW COMMITTEE. The Plan Review Committee will be made up of at least three (3) and no more than five (5) property owners of subdivision property, none of whom shall be members of the Board of Directors. All will serve at the discretion of the Board of Directors. Initially, the Plan Review Committee will be: Duane Balcom (Chairman), Mike Rooney, Sonda Balcom, Pat Unger and Shelley Johanson.

The Plan Review Committee will elect a chairperson from among its members who will receive applications for plan review, assure that all the Committee members have ample opportunity to review such plans, and report the majority decision of the Committee to the applicants. The Plan Review Committee chairperson will also maintain complete records of plans reviewed and action taken, and shall notify the Board of Directors, through the Member-at-Large, within twenty-four (24) hours of the Committee's decisions with regard to Plan approval or disapproval. Plan Review records are to be retained for at least three (3) years from the date of each transaction and are to be open to inspection by interested property owners at a reasonable time, upon written request. In the event of a vacancy on the Plan Review Committee, the Board of Directors will act promptly to appoint a replacement. During the period of vacancy, a majority vote of the remaining members and the Member-at-Large of the Board of Directors will be required for plan approval or disapproval.

Plans will be reviewed and responded to within seven (7) working days after they have been submitted.

SECTION 2. OTHER COMMITTEES. The Board of Directors may establish such other committees as it deems necessary and desirable. Such committees may exercise functions of the Board of Directors or may be advisory committees.

SECTION 3. COMPOSITION OF COMMITTEES EXERCISING BOARD FUNCTIONS. Any committee that exercises any function of the Board of Directors shall be composed of two or more Directors, elected by the Board of Directors by a majority vote of the number of Directors prescribed by the Board, or if no number is prescribed, a majority vote of all Directors in office at that time.

SECTION 4. QUORUM AND ACTION. A quorum at a committee meeting exercising

Board functions shall be a majority of all committee members in office immediately before the meeting begins. If a quorum is present, action is taken by a majority vote of Directors present.

SECTION 5. LIMITATIONS ON THE POWERS OF COMMITTEES. No committee may authorize payment of a dividend or any part of the income or profit of the corporation to its Directors or officers; may approve dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the corporation's assets; may elect, appoint, or remove directors or fill vacancies on the Board or on any of its committees; nor may adopt, amend, or repeal the Articles, Bylaws, or any resolution by the Board of Directors.

ARTICLE V OFFICERS

SECTION 1. TITLES. The officers of this corporation shall be the President, Vice President, Secretary and Treasurer.

SECTION 2. ELECTION. The Board of Directors shall elect the President, Vice President, Secretary and Treasurer to serve one year terms. An officer may be reelected without limitation on the number of terms the officer may serve.

SECTION 3. VACANCY. A vacancy of the office of President, Vice President, Secretary or Treasurer shall be filled not later than the first regular meeting of the Board of Directors following the vacancy.

SECTION 4. OTHER OFFICERS. The Board of Directors may elect or appoint other officers, agents and employees as it shall deem necessary and desirable. They shall hold their offices for such terms and have such authority and perform such duties as shall be determined by the Board of Directors.

SECTION 5. PRESIDENT. The President shall be the chief officer of the corporation and shall act as the Chair of the Board. The President shall have any other powers and duties as may be prescribed by the Board of Directors.

SECTION 6. VICE PRESIDENT. In the absence of the President or in event of his death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the directors.

SECTION 7. SECRETARY. The Secretary shall have overall responsibility for all record keeping and all corporate funds. The Secretary shall perform, or cause to be performed, the following duties: (a) official recording of the minutes of all proceedings of the Board of Directors

and members' meetings and actions; (b) provision for notice of all meetings of the Board of Directors and members; (c) authentication of the records of the corporation; (d) maintaining current and accurate membership lists; and (e) and any other duties as may be prescribed by the Board of Directors.

SECTION 8. TREASURER. The Treasurer shall have the overall responsibility for (a) keeping of full and accurate accounts of all financial records of the corporation; (b) deposit of all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors; (c) disbursement of all funds when proper to do so; (d) making financial reports as to the financial condition of the corporation to the Board of Directors; and (e) any other duties as may be prescribed by the Board of Directors.

ARTICLE VI COMPLAINT PROCEDURE

Any Association member or group of members may convey a written complaint about Association matters to the President, or other Board members acting on behalf of the President. The Board shall respond in writing to the complainant about the merits of the complaint within thirty (30) days of receipt. The response by the Board shall include a statement which describes the Board's interpretation of the Bylaws as they pertain to the complaint. If the complainant is not satisfied with the outcome, he/she may proceed to a second stage by requesting a formal hearing in writing of the President of the Board. The purpose of the hearing is to permit the complainant to present additional information relevant to the original complaint or the Board's written response. Upon receipt of such written request, the President of the Board will arrange a hearing as soon as practical, but at least within thirty (30) days. At least three (3) members of the Board with the power to act must be present at the hearing. The complainant may invite other property owners who have relevant information to be present. Within fifteen (15) days of the hearing the Board must respond in writing to the complainant by affirming its original decision, modifying its initial decision or continuing the fact-finding process for another thirty (30) days. The complainant may request another hearing at the end of the fact-finding period. Following the second hearing, the Board shall respond to the complainant within seven (7) days and that will be the final administrative step in the complaint process.

In the event that the dispute cannot be resolved by all parties subject to this Agreement as to their duties and obligations under this Agreement, or in the event any of the property owners are substantially impaired by death, illness, mental or physical disabilities, then the parties shall, after all reasonable efforts are made, negotiate a settlement of their obligations and duties, and will submit their dispute to arbitration. All parties to the dispute shall select one arbitrator. If the number of arbitrators is an even number and the arbitrators so selected cannot agree, the arbitrators shall in turn jointly appoint one additional arbitrator. The parties shall abide by the decision of the majority of the arbitrators with regard to matters set forth in this Agreement. Each party shall bear the expense of the appointment of his own arbitrator and the expense of the appointment of the additional

arbitrator, if necessary, shall be borne equally by the parties.

ARTICLE VII DUES AND ASSESSMENTS

Each owner of any lot, by acceptance of a deed therefore, hereby agrees and is deemed to pay, for each lot owned, to the Association the following;

1. Annual dues and assessments for the operation of the Association and reserve or capital account are due and payable **January 1st** of each year and shall become delinquent **February 28th** of each year.
2. Annual assessment shall be determined by a budget containing the estimated cost of operating the Association during the following year, including a capital improvement or reserve for maintenance and improvements account, and thereafter levied and paid in accordance with the provisions of the CC&R's, which includes a payment of thirty-three and one-third percent (33-1/3%) of the annual assessment amount for undeveloped parcels as defined in the CC&R's, and one hundred percent (100%) for developed property.
3. Special assessments, when required, to meet the obligations of the Association to cover unusual and/or unexpected expenditures and shall be levied as provided in the CC&R's. Special assessments shall be assessments to cover expenditures for the repair of existing improvements, which have occurred as the result of an act of God, unforeseen and unsuspected government requirements or repairs of existing improvements which have become in serious disrepair after an event or sequence of events which were not previously foreseeable and which repairs must be made in an urgent time frame and is not a result of normal wear and tear. Special assessments shall not be used to make improvements substantially superior to the condition of the improvements prior to the need of such repair, unless necessary for safety reasons.

The amount of annual dues and the amounts of special assessments for each membership will be determined by the Board of Directors in accordance with the CC&R's.

Unpaid annual dues and unpaid special assessments, together with interest costs and reasonable fees incurred in the collection thereof, shall become a lien against the property against which each charge is made. Such charges are to be the personal obligation of the person who was the owner of such property at the time when the charges fell due. Anyone who has not paid his or her dues may not vote.

**ARTICLE VIII
LIABILITIES**

Nothing shall constitute members of the Association as partners for any purpose. No member, officer, agent or employee shall be liable for the acts or failure to act of any other member, officer, agent, or employee of the Association. Nor shall any member, officer, agent, or employee be liable for his acts or failure to act under these Bylaws, except only acts of omissions arising out of his intentional misfeasance, nonfeasance, or malfeasance. Added liability insurance will be obtained and paid for by the Association.

**ARTICLE IX
CORPORATE INDEMNITY**

This corporation will indemnify its officers and directors to the fullest extent allowed by Oregon law.

**ARTICLE X
AMENDMENTS**

These Bylaws of the Association may be amended or repealed, and new Bylaws adopted by the members by a two-thirds (2/3) vote of the eligible voters at the meeting at which the amendment is presented. Prior to the adoption of the amendment, each member shall be given at least twenty (20) days notice of the date, time, and place of the meeting at which the proposed amendment is to be considered, and the notice shall state that one of the purposes of the meeting is to consider a proposed amendment to the Bylaws and shall contain a copy of the proposed amendment.

**ARTICLE XI
BUILDING AND USE RESTRICTIONS**

WEST POWELL BUTTE ESTATES SUBDIVISION is zoned for single family dwellings. It is the intent of the developer to maintain a wooded environment with continuity of building appearance being primary to protect property values. The Plan Review Committee may withhold approval of any construction or alterations it feels would be incompatible with the stated purpose of these restrictions. Additionally, as the residents will wish to have the serenity of country living, the Association has established certain building and activity restrictions to protect all residents within the subdivision. It is intended that these restrictions be applied with common sense and discretion.

These Restated Bylaws adopted by the Board of Directors and members of the Association on the 29 day of June, 2002.

Karen Rooney (Sec.)