

BY-LAWS

OF

RIVERBANK HOME OWNERS ASSOCIATION,

a non-profit Corporation

ARTICLE I

Name and Applicability

1.1 Name.

This Association shall be known as the RIVERBANK HOME OWNERS ASSOCIATION, which is a non-profit corporation composed of the owners of lots and building sites in Riverbank, Riverbank No. 2 and any subsequent plats of Riverbank.

1.2 Definitions.

The terms used in these by-laws shall have the meanings defined in Chapter 61 Oregon Revised Statutes and the Declaration of Conditions and Restrictions of Riverbank and Riverbank No. 2, hereinafter referred to as the Declaration.

1.3 Applicability.

Each owner, upon acceptance of the deed or contract to a lot or building site shall be deemed to have consented to the applicability of the provisions of these by-laws to such owner and to rules and regulations promulgated by the Association pursuant thereto as the same may from time to time be amended. These by-laws and such rules and regulations shall likewise be applicable to the families of owners and tenants, employees, and guests of owners.

ARTICLE II

Purposes

2.1 This association is formed to provide a means for administration of the Declaration and common area located on the properties described in the Declaration.

ARTICLE III

Composition and Voting Rights

3.1 Composition.

The Association shall be composed of all the owners of lots and building sites in Riverbank and Riverbank No. 2, and any subsequent property plated [sic] as Riverbank which comes within the scheme of the Declaration as outlined in Paragraph 3.2 of Article III of the Declaration.

3.2 Voting rights.

Each owner of a lot or building site has an equal interest in the general common elements and each owner shall have one vote in any matter on which voting rights are provided by Law or these by-laws. Declarant in the Declaration shall be entitled to one vote with respect to each unsold lot or building site owned by it.

When there is more than one record owner of a lot or building site, all such owners may attend and participate in any meeting; but the vote for each lot or building site shall be exercised as the persons holding such interests shall determine between themselves, provided that in no event shall there be more than one vote cast with respect to any such lot or building site.

ARTICLE IV

Meetings

4.1 Annual meeting.

The annual meeting of the owners shall be held in Lake Oswego, Oregon, or at such other place in Clackamas County, Oregon, and at such date and time in the month of May of each year as may be prescribed by the board of directors.

4.2 Special meetings.

Special meetings of the owners may be called at any time by the board of directors and shall be called by the secretary of the Association upon written request of any five or more owners.

4.3 Notice.

Notice of all meetings of owners shall be mailed by or at the direction of the secretary to each owner, postage prepaid, at the address thereof as shall appear in the records of the Association or supplied by such owner to the Association for the purpose of notice. Such notice shall be mailed not less than seven nor more than 40 days prior to the date of such meeting.

The notice of the meeting shall specify the place and time of the meeting, and in the case of a special meeting, the purpose of the meeting. For purpose of this section only, if ownership of a lot or building site is divided among several persons or entities, notices shall be sent to each such person or entity.

4.4 Waiver of notice.

Whenever any notice is required to be given to any owner in accordance with these by-laws, waiver thereof in writing signed by the person or persons entitled to such notice, whether it be before or after the time stated therein, shall be equivalent to the giving of such notice.

4.5 Quorum.

The presence at any meeting in person or by proxy of a majority of the owners shall constitute a quorum for any actions.

4.6 Proxy.

An owner may vote in person or by proxy executed in writing and filed with the secretary prior to commencement of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. Such proxy shall be revocable and shall automatically terminate upon termination of an owner's status as such.

4.7 Vote required.

Except for matters on which a greater vote is required by Law, the Declaration and these by-laws, the action of a majority of those present at any duly called meeting of the Association at which a quorum is present shall constitute action of the Association.

4.8 Action by unanimous consent.

Any action which may be taken by the Association may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the owners entitled to vote with respect to such matter. Such consent shall have the same force and effect as a unanimous vote and may be so described in any document required to be filed under the Oregon Law, the Declaration or these by-laws.

ARTICLE V

Board of Directors

5.1 Number.

The affairs of this Association shall be managed by a board of three directors until the first annual meeting. Such directors shall be: *[sic – no names were included]*

After the first annual meeting the board of directors shall consist of five members. All directors shall be owners; provided, however, that an owner that is a corporation may designate its officers or agents to serve as directors.

5.2 Term.

The directors named in the preceding section shall serve until the first annual meeting and until their successors are elected and assume office. At the first annual meeting, owners shall elect three directors for a term of two years and two directors for a term of one year. At each annual meeting thereafter, the owners shall elect directors for a term of two years to fill the term of office of the directors whose terms expire at such annual meeting. Directors shall serve until their successors are elected and assume office.

5.3 Vacancies.

In the event of the death or resignation of a director, his successor shall be elected by a majority vote of the remaining directors. A director elected to fill a vacancy shall hold office during the remainder of the term of the director succeeded.

5.4 Removal.

Any director may be removed from office at any time with or without cause, upon the majority vote of all of the owners taken at a meeting of the Association; provided, however, that the notice of such meeting shall have stated that such removal was to be considered. The successor of such director shall be elected at the same meeting for the then unexpired term of the director so removed.

5.5 Compensation.

No director shall receive compensation for any services he may render to the Association as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties as a director and may receive compensation for services to the Association in other capacities than as a director.

5.6 Manner of Election.

In any case where the number of nominations for the board of directors exceeds the number of vacancies, election shall be by secret written ballot. At each election the owners or their proxies may cast in respect to each vacnacy [sic] as many votes as they are entitled to cast by the provisions of these by-laws. Persons receiving the largest number of votes shall be elected.

ARTICLE VI

Meetings of the Board of Directors

6.1 Regular meetings.

Within ten days after each annual meeting of the Association, the directors elected at such meeting and those holding over shall hold an organization meeting for the purpose of electing officers as hereinafter provided and for transaction of such other business as may come before the meeting. If all directors are present at the time and place of such meeting, nor [sic] prior notice of such meeting shall be required to be given to the directors.

The board of directors by resolution may establish the date, time and place for other regular meetings of the board.

6.2 Special Meetings.

Special meetings may be called by the chairman and must be called by the chairman at the request of at least two directors. Such special meeting may be held at such time and place as the board of directors or the chairman shall determine and any business may be transacted at such meeting.

6.3 Notices.

No notice need be given of regular meetings held pursuant to resolution of the board of directors as hereinabove specified. Notice of special meetings shall be given at least three days prior to the date of such meeting either personally, by mail, telephone or telegraph. Attendance at a meeting shall constitute a waiver of notice thereof.

6.4 Quorum.

A majority of the directors shall constitute a quorum but no action of the board of directors shall be valid unless it is approved by an affirmative vote of at least three directors.

6.5 Action without a meeting.

Directors may take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors to such action. Any action so taken shall have the same effect as though taken at a meeting of the directors.

ARTICLE VII

Powers and Duties of the Board of Directors

7.1 General powers.

The board of directors shall have power to:

7.1.1 Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the owners by other provisions of these bylaws or the Declaration.

7.1.2 Adopt, amend, revoke, publish and cause to be enforced rules and regulations not inconsistent with the Declaration governing the use of

the lots, building sites and the common elements, and the personal conduct to owners, their families, tenants and guests with respect thereto. Such rules and regulations shall become effective when due notice thereof is given by mail to each owner at his address as indicated in the records of [sic] Association.

7.2 Duties of the Board of Directors.

It shall be the duty of the Board of Directors to:

- 7.2.1 Cause the common elements to be maintained, repaired and replaced as necessary, and in case of casualty and subject to the limitations in the Declaration, to reconstruct and reestablish the Properties.
- 7.2.2 To cause to be obtained and maintained in full force and effect the policies of casualty and liability insurance.
- 7.2.3 To employ, replace and fix the terms of compensation of employed maintenance personnel.
- 7.2.4 To cause to be employed such personnel as may be necessary for the maintenance, upkeep and repair of the common elements.
- 7.2.5 To cause to be kept a complete record of all its acts and the proceedings of its meetings, and to cause to be presented at the annual meeting of the Association a report reviewing the business and affairs of the Association for the year.
- 7.2.6 To cause all officers or employees having fiscal responsibilities to be bonded if required by law.
- 7.2.7 To obtain legal and accounting services necessary [sic] or proper in the operation of the Properties or the enforcement of the Declaration of these bylaws.

7.3 Approval of payment vouchers.

The treasurer shall pay or cause to be paid all vouchers signed by the Directors for expenditures of up to \$1,000. Vouchers for any expenditures

in excess of \$1,000 shall require the approval of a majority of the members, prior to payment.

7.4 **Authority with respect to capital improvement.**

The Board of Directors shall not have authority to make expenditures in excess of \$2,000 for capital additions to or capital improvements of the common elements without the prior approval of the Association by a vote of a majority of all the members.

ARTICLE VIII

Officers

8.1 **Officers.**

The officers of this Association shall be a chairman, who shall be a member of the board of directors, and a secretary and a treasurer, who may, but need not, be members of the board of directors. The board of directors *may* appoint an assistant secretary or an assistant treasurer by resolution entered in its minutes. The offices of secretary and treasurer may be held by the same person. Officers shall be elected at the organization meeting of the board of directors each year, and the term of office shall be for a term of one year and until their successors are elected and assume office unless such officer resigns or is removed.

8.2 **Removal, resignation and vacancies.**

Any officer may be removed from office with or without cause by the board of directors. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.3 **Chairman.**

The chairman shall preside at all meetings of the Association and of the board of directors. He shall sign for the Association such contracts and other documents as he may be authorized by the board of directors to sign and as prescribed by these bylaws, and shall perform all acts and duties usually performed by a presiding officer or as prescribed by the board of directors.

In the absence or disability of the chairman, the member of the board of directors senior in service shall preside and perform the duties of the chairman.

8.4 Secretary.

The secretary shall keep or cause to be kept a complete record of all meetings of the Association and of the board of directors and of the owners; keep appropriate current records showing the names and addresses of the owners; perform such duties as he is required to perform in *[sic]* connection with assessments; and shall perform such other duties as may be required by the board. The assistant secretary may be authorized by the board of directors to perform the duties of the secretary.

8.5 Treasurer.

The treasurer shall pay or cause to be paid vouchers in accordance with the terms of these bylaws; shall keep such records, make such reports and perform such other duties as may be required from time to time by the board of directors.

8.6 Delegation and change of duties.

In the event of absence or disability of any officer, the board of directors may delegate, during *[sic]* such absence or disability, the powers or duties of such office to any other officer or any director.

ARTICLE IX

Collection of Share of Common Expenses

9.1 Basis and determination.

Each owner's share of the excess of common expenses over common income shall be collected as an assessment on the basis and in the manner set forth in Article VIII of the Declaration. The board of directors may fix an annual *assessment* in any amount less than the maximum set forth in the Declaration. The maximum annual assessment established in the Declaration may be changed by vote of the owners.

9.2 Certificates with respect to assessment.

The secretary shall cause to be furnished to an owner liable for an assessment upon demand of such owner a certificate in writing setting forth whether the assessments on property of such owner have been paid.

9.3 Lien as reasonable value.

Each owner agrees that in the event an unpaid assessment becomes a lien upon his lot or building site in accordance with the provisions of the Declaration and these By-laws, that the amount of such lien shall conclusively be deemed to be the reasonable value of such common expenses as are represented by such lien.

9.4 Provisions in the event of foreclosure of lien.

In any foreclosure suit against a lot or building site, the owner shall be required to pay a reasonable rental for the lot or building site, and the Association shall be entitled to the appointment of a receiver to collect such rental. The Board of Directors acting on behalf of the Association shall have power to bid in [sic] the lot or building site at the foreclosure sale and to acquire and hold, lease, mortgage and convey such lot or building site. Any rental received shall be applied first to the cost of renting such lot or building site and secondly to the amount of such unpaid assessments thereon.

ARTICLE X

Books, Records, Audit

10.1 Inspection by members.

The books and records of the Association shall at all times during reasonable business hours be subject to inspection by any owner at the office of the Association.

10.2 Audit.

An audit shall be made at any time upon order of the board of directors or upon a majority vote of the owners present at a regular or special meeting of the Association.

10.3 Execution of documents.

When the execution of any instrument has been authorized by the board of directors without specifying the executing officer, such instrument may be executed by the chairman and anyone of the following officers: secretary, treasurer or assistant secretary. The board of directors may, however, authorize any one of such officers to sign any such instruments for and on behalf of the Association and may designate officials or employees of the Association other than those named above who may sign such instrument.

ARTICLE XI

Amendments

11.1 These bylaws may be amended at any annual or special meeting of the Association provided that notice of the amendment shall be included in notice of the meeting. No such amendment shall be effective unless and until approved by the vote of not less than 75% of the owners and until a copy of the bylaws as so amended, certified by the chairman and secretary of the Association, is recorded with the Recording Officer of Clackamas County, Oregon.

Any matters stated in these bylaws to be or which is in fact governed by the Declaration may not be amended except as provided in such Declaration.

ARTICLE XII

Transfer

12.1 The Declarant in the Declaration shall have all powers of the Association until such time as he transfers to the Association the property and powers covered thereby. A Review Board shall be appointed to assist the Association in the transfer. The Review Board shall be appointed by the Directors or the Declarant. Said transfer shall be on or before December 31, 1975. At that time the Declarant will submit plans for construction of the amenities not completed. Said plans will need no further approval. Construction of the amenities will be completed according to the Declaration of Restrictions.

ARTICLE XIII

Existing Officers

13.1 The following persons are hereby declared to be the officers of the Association until their successors are elected and assume office:

Chairman
Secretary
Treasurer

ARTICLE XIV

14.1 In construing these by-laws, or any part thereof, stipulations which are necessary to make these by-laws or any of its terms or provisions reasonable are implied. In any conflict between the terms and provisions of these by-laws and the terms and provisions of the declaration of restrictions the declarations and restrictions shall control.

14.2 The determination by any court that any provisions of these by-laws are unlawful or void shall not affect the validity of any of the other provisions hereof.

The undersigned hereby certify that they are the duly qualified acting chairman and secretary of RIVERBANK HOME OWNERS ASSOCIATION and that these bylaws are the duly adopted bylaws of such association.

DATED: , 1973
