

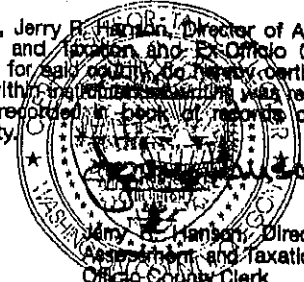
APR 20 2000

55.00  
6.00  
3.00

AFTER RECORDING RETURN TO:  
Michael G. Magnus, P.C.  
10700 SW Beaverton-Hillsdale Hwy., #460  
Beaverton, OR 97005

STATE OF OREGON }  
County of Washington } SS

I, Jerry B. Harrison, Director of Assessment and Taxation and Ex-Officio County Clerk for said county, do hereby certify that the within instrument was received and recorded in the public records of said county.



Jerry B. Harrison, Director of Assessment and Taxation, Ex-Officio County Clerk

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04/20/2000 08:56:55am

**BYLAWS OF  
CEDAR GROVE HOMEOWNERS ASSOCIATION**

**SECTION 1.00 DEFINITIONS**

As used in these Bylaws, the terms set forth below shall have the following meaning:

1.01 **"Properties"** means that certain property in the County of Washington, State of Oregon which is more particularly described on the attached and incorporated by referenced Exhibit "A." The term Properties does not include Lot 65. The owner of Lot 65 is not a member of the Association.

1.02 **"Association"** means the non-profit corporation known as Cedar Grove Homeowners Association.

1.03 **"Board"** means the Board of Directors of the Cedar Grove Homeowners Association.

1.04 **"Common Property"** means that area of land shown as Tracts A through H as depicted on the recorded plat of Cedar Grove, including any improvements thereon, which are intended to be devoted to the use of the Owners of Lots 1 through 64 and which are conveyed to the Association, except as hereinafter provided otherwise.

1.05 **"Home"** means one attached townhome dwelling situated on one Lot.

1.06 **"Declaration"** means the Declaration of Protective Covenants, Conditions and Restrictions affecting the Plat of Cedar Grove.

1.07 **"Declarant"** means LUN, LLC, an Oregon limited liability company.

1.08 **"Lot"** means the individual tracts of land created by the plat of Cedar Grove; provided, however, Lot 65 is not subject to these Bylaws.

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10/12-33 units  
10/12-515  
25 units

1.09 "Owner" means the legal Owner or contract purchaser of any Lot and Home which is a part of the Properties, but excluding those having an interest merely as security for the performance of an obligation.

1.10 "Sold" means the legal title has been conveyed or that a contract of sale has been executed under which the purchase has obtained the right to possession.

SECTION 2.00 MEMBERSHIP

2.01 **Membership.** Upon becoming the legal Owner or contract purchaser of a Lot and Home, the Owner shall automatically be a member of the Association and shall remain a Member until his ownership ceases for any reason. Membership shall be appurtenant to and may not be separate from ownership of the Home.

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

SECTION 3.00 TRANSITIONAL ADVISORY COMMITTEE

3.01 **Formation.** Not later than 60 days after the Declarant has conveyed the Lots representing 50% of the votes, the Declarant shall call a meeting of Owners for the purpose of selecting a transitional advisory committee.

3.02 **Appointment of Members.** The committee shall consist of three (3) or more members. The Owners, other than Declarant, shall select two or more members. The Declarant may select no more than one (1) member.

3.03 **Access to Information.** The committee shall have reasonable access to all information and documents which the Declarant is required to turn over to the Association under ORS 94.616.

SECTION 4.00 MEETING AND VOTING

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

4.02 **Organizational and Turnover Meeting.** Not later than 120 days after lots representing 75% of the votes have been conveyed by Declarant, the interim Board shall call an Organizational and Turnover Meeting of the Owners for the purpose of organizing the Association and electing directors. Notice of such meeting shall be given to all Owners as

provided in Section 4.05 hereof. If the interim Board fails to call the meeting, the meeting may be called and notice given by any owner of a Home. In the event of a lack of quorum at such Organizational and Turnover Meeting, it may be adjourned to the time of the first annual meeting. Nothing in this section shall be construed as preventing the interim Board from calling the Organizational and Turnover Meeting prior to such date, or from calling informal, informational meetings of the Owners.

**4.03 Annual Meeting.** The annual meeting of the Members for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such reasonable hour and on such reasonable day during the month of July or such other month of each year as the President may designate, or if the President should fail to designate a date by the first day of December, at 6:00 p.m. on the second Thursday in December. The first annual meeting shall be held within one year from the date of the Organizational and Turnover Meeting.

**4.04 Special Meetings.** A special meeting of the Association may be called at any time by the President or by any two members of the Board. A special meeting shall also be called upon receipt of a written request stating the purpose of the meeting from Members having 25 percent of the votes entitled to be cast at such meeting. The notice given to the Owners shall contain a statement that the meeting is being held in order for the Declarant to turn over to the Homeowners Association the responsibility for the administration of this planned community.

**4.05 Notice of Meetings.** Written notices stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered to each Member not less than 7 nor more than 50 days before the date of the meeting, either personally or by mail. If mailed, such notice shall be deemed delivered when deposited in the US mail, with postage fully prepaid thereon, addressed to the Member at his most recent address as it appears on the records of the Association.

**4.06 Quorum.** At any meeting of the Association, Members having 51 percent of the votes entitled to be cast at such meeting, present in person or by proxy, shall constitute a quorum, except when a larger quorum is required by the Declaration. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of the Member or Members. If any meeting of Members cannot be organized because of a lack of quorum, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time, not less than 48 hours nor more than 30 days from the time the original meeting was called. When the meeting is reorganized, a simple majority of those Members present at the meeting shall constitute a quorum to transact business and the majority vote of those Members present shall be binding on the Association members.

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

Class A. Class A members shall be all Owners with the exception of the Declarant. Class A members shall be entitled to one (1) vote for each Home

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owned. When more than one person holds an interest in a Home, all such persons shall be Members. The vote for such Home or Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Home or Lot.

Class B. The Class B member shall be Declarant, who shall be entitled to three (3) votes for each Home or Lot owned. The Class B membership shall cease and be converted to Class A membership automatically on the happening of either of the following events, whichever occurs earlier:

- (a) When forty-eight percent (48%) of the sixty-four (64) Homes have been conveyed to persons other than Declarant; or
- (b) three (3) years after a Home is conveyed to a person other than Declarant.

Following either (a) or (b), each Owner, including the Declarant, shall be entitled to one vote for each Lot owned with respect to all matters upon which Owners are entitled to vote, and the total number of votes shall be equal to the total number of Lots.

**4.08 Joint Ownership.** In any case in which two or more persons share the ownership, the vote or consent of any one or more of such persons shall constitute the vote or consent of the entire ownership interest; provided, however, that in the event such persons disagree among themselves as to the manner in which they may vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Secretary of the Association and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter.

**4.09 Proxies.** Every Member entitled to vote or to execute any waiver or consent may do so either in person or by written proxy duly executed and filed with the Secretary of the Association. No proxy shall be valid after the meeting for which it was solicited and any adjourned meeting thereof, unless otherwise expressly stated in the proxy, and every proxy shall automatically cease upon sale by the Member of the Home or Lot upon which the proxy is based.

**4.10 Majority Vote.** The vote of a majority of the votes entitled to be cast by the Members present or represented by proxy, at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the Members, unless a greater proportion is required by law, by the Declaration, by Articles of Incorporation or by these Bylaws.

**4.11 Ballot Meetings.** At the discretion of the Board, any matter which might come before the Association at a meeting, including election of directors, may be determined by proxy ballot rather than at a formal gathering. Ballots shall be sent to all Owners in the same manner as notice of meetings, with a specified deadline for return of ballots. Ballots for such meetings must

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be properly executed and returned in sufficient quantity to constitute a quorum, and determination of the matter presented shall be based upon the required percentage of ballots returned, unless approval of a specified percentage of all voting rights is required by law, the Declaration or these Bylaws. The vote of a ballot meeting shall be determined by the Board within 48 hours of the deadline for return of ballots. Within ten (10) days after the ballots have been counted, each Owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned.

SECTION 5.00 DIRECTOR AND MANAGEMENT

5.01 **Number and Qualifications.** The affairs of the Association shall be governed by a Board composed of not less than three (3) persons nor more than ten (10) persons who need not be Members of the Association.

5.02 **Interim Directors.** Upon the filing of the Articles of Incorporation, the Declarant shall appoint the interim Board of three (3) or more directors, up to ten (10), who shall serve until replaced by the Declarant or by the Owners as provided below.

5.03 **Election and Tenure of Office.** At the Organizational and Turnover Meeting described in Section 4.02, the interim directors shall resign and the Members shall elect at least three (3) directors. The term of office for one director shall be fixed at one (1) year and the term for the other two directors shall be two (2) years. Should more than three (3) directors be elected, the same sequential election terms shall apply as nearly as practicable. Thereafter, the successors to each director shall serve for terms of two (2) years each. All directors shall hold office until their respective successors shall have been elected by the Members or as provided in Section 5.04. Election shall be by secret ballot.

5.04 **Vacancies.** A vacancy on the Board shall exist on the death, resignation or removal of any director, or if the authorized number of directors is increased, or if the Members fail to elect the full authorized number of directors to be voted for at any meeting called for that purpose. Vacancies on the Board may be filled by a majority of the remaining directors, even though less than a quorum, or by a sole remaining director. Each director so appointed shall hold office for the balance of the unexpired term and until his successor is elected. Vacancies on the interim Board shall be filled by the Developer.

5.05 **Removal of Directors.** All or any number of the Directors, other than interim directors, may be removed, with or without cause, by a vote of a majority of the number of votes entitled to be cast at an election of directors at a meeting of Members called expressly for that purpose.

5.06 **Powers.** The Board shall exercise for the Association all powers, duties and authority vested in or delegated to the Association, except those reserved to the Members in the Declaration, Articles of Incorporation or by these Bylaws.

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5.07 **Annual Meetings.** Meetings of the Board shall be held at such place as may be designated from time to time by the Board or other persons calling the meeting. Annual meetings of the Board shall be held without notice immediately following the adjournment of the annual meeting of the Members.

5.08 **Special Meetings.** Special meetings of the Board for any purpose or purposes may be called at any time by the President or by any two directors. Notice of the time and place of special meetings shall be given orally or in writing at least 24 hours before the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened.

5.09 **Quorum and Vote.** A majority of the directors shall constitute a quorum for the transaction of business. A minority of directors in the absence of a quorum, may adjourn from time to time but may not transact any business. The action of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board unless a greater number is required by law, the Declaration, the Articles of Incorporation or these Bylaws.

5.10 **Liability.** Neither the Board nor any member thereof nor any officer of the Association shall be liable to the Association or to any Member for any damage, loss or prejudice suffered or claimed on account of any action or failure to act on the part of the Association, its officers, Board of Directors or any member of its Board of Directors, provided only that the Board member or officer has, in accordance with the actual knowledge possessed by him, acted in good faith.

5.11 **Compensation.** No director shall receive any compensation from the Association for acting as such.

5.12 **Managing Agent or Manager; Contract with Declarant.** On behalf of the Association, the Board may employ or contract for a managing agent or a manager at a compensation to be established by the Board. The Board may delegate to the managing agent or manager such duties and powers as are appropriate to the office. Any agreement for professional management of the Association providing for services by the Declarant, shall provide for termination by either party without cause or payment of a termination fee upon 30 days written notice. The term of any such agreement shall not exceed one year, renewable by agreement of the parties for successive one-year periods.

5.13 **Open Meetings.** All meetings of the Board of Directors shall be open to all Owners.

## SECTION 6.00 OFFICERS

6.01 **Designation and Qualification.** The officers of the Association shall be the President, the Secretary and the Treasurer and such Vice Presidents and subordinate officers as

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the Board shall from time to time appoint. The President shall be a member of the Board, but the other officers need not be directors. Officers need to be Members of the Association. Any two offices may be held by the same person except the offices of President and Secretary.

**6.02 Election and Vacancies.** The officers of the Association shall be elected annually by the Board to serve one year and until their respective successors are elected. If any office shall become vacant by reason of death, resignation, removal, disqualification or any other cause, the Board shall elect a successor to fill the unexpired term.

**6.03 Removal and Resignation.** Any officer may be removed upon the affirmative vote of a majority of the directors whenever in their judgment the best interests of the Association will be served thereby. The removal of any officer shall be without prejudice to the contract rights, if any, of the officer so removed. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary of the Association.

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

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

**6.06 Secretary.** The Secretary shall keep or cause to be kept a Book of Minutes of all meetings of Directors and Members. The Secretary shall give or cause to be given notice of the meetings of the members and of the Board as is required by these Bylaws or by law. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws. If there are no Vice Presidents, then in the absence or disability of the President, the President's duties and powers shall be performed and exercised by the Secretary.

**6.07 Treasurer.** The Treasurer shall keep and maintain, or cause to be kept and maintained, an adequate and correct account of business transactions of the Association, including accounts of its assets, liabilities, receipts and disbursements. The books of account shall at all reasonable times be open to inspection by an director. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, shall render to the President and directors, whenever they request it, an account of all of the Association's transactions and of the financial condition of the Association, and shall have such other powers and perform such other duties as

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may be prescribed by the Board or these Bylaws.

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

**SECTION 7.00**      **GENERAL PROVISIONS**

**7.01 Required Board Actions.**

a. Obtain such forms of property, liability, bonding and other insurance as necessary and prudent and as provided and required under the Declaration. The Board of Directors shall, if reasonably available, seek inclusion of the terms and provisions described in ORS 94.690, as it may be amended, for such policies, which provide as follows:

1. A waiver of subrogation by the insurer as to any claim against the Board of the Association, any owner or any guest of an owner;

2. A waiver by the insurer of its right to repair and reconstruct instead of paying cash;

3. That no policy may be canceled, invalidated or suspended because of any action of an owner;

4. That no policy may be canceled, invalidated or suspended because of the conduct of any director, officer or employee of the Association unless the insurer gives the Association a prior written demand that the Association correct the defect and allows the Association a reasonable time to make the correction; and

5. That any "other insurance" clause in any policy shall exclude from its coverage all owners' policies.

a. Assess and collect from any Owner all assessments and other charges in the manner described in the Declaration.

b. Supervise all officers, agents and employees of the Association, and see that their duties are properly performed.

c. Keep all funds received by the Association and use such funds only for purposes described in the Declaration of these Bylaws.

d. From time to time, and at least annually, prepare a budget for the Association.

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e. Keep records of the receipts and expenditures of the Association and make the same available for examination by Members at convenient hours.

f. Maintain an assessment roll showing the amount of each assessment against each Owner, the amounts paid upon the account and the balance due on the assessments.

g. Keep correct and complete minutes of the meetings of its Members, Board and committees.

7.02 **Seal.** The Board may, by resolution, adopt a corporate seal.

7.03 **Notice.** All notices to the 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 Association or to such other address as the Board may hereafter designate from time to time. All notices to Members shall be sent to the Member's Home or to such other address as may be designated by the Member from time to time in writing to the Board.

7.04 **Conflicts.** These bylaws are intended to comply with the Oregon Nonprofit Corporation law, the Declaration and the Articles of Incorporation. In case of any irreconcilable conflict, such statute and documents shall control over these Bylaws.

7.05 **Annual Financial Statement.** The Board shall cause the preparation of the annual financial statement of the Association and cause the distribution of such financial statements within ninety (90) days after the end of the Association's fiscal year, to each owner and, upon written request, any mortgagee.

SECTION 8.00 AMENDMENTS TO BYLAWS

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

8.02 **Adoption.** The proposed amendment may be adopted by the membership at a regularly scheduled meeting or special meeting of the Members called for that purpose, at which a quorum is present, by a majority vote of Owners present in proxy or by proxy at such meeting and the written consent of the Class B member, if any; provided, however, that those provisions of these Bylaws which are governed by the Declaration or the Articles of Incorporation of this Association may not be amended except as provided in those documents.

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SECTION 9.00 MAINTENANCE

9.01 **Maintenance for Townhomes and Common Area.** The Board of Directors shall determine what maintenance, upkeep and repair shall be necessary to provide for the Common Property as provided in the Declaration or to the townhomes, if any.

9.02 **Method of Payment.** Such maintenance, upkeep and repair shall be paid by the funds collected from assessments against the Owners, in the manner as provided for in the Declaration.

9.03 **Employment of Personnel.** The Board of Directors shall employ such personnel as may be necessary for the maintenance, upkeep and repair of the Common Property.

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of Cedar Grove Homeowners Association, an Oregon nonprofit corporation; that the foregoing Bylaws constitute the Bylaws of said Association; and that they were duly adopted at a meeting of the Board of Directors thereof, held on March 16, 2000.

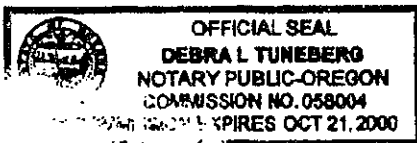
IN WITNESS WHEREOF, I have hereunto subscribed my name this 16<sup>th</sup> day of March, 2000.

CEDAR GROVE HOMEOWNERS ASSOCIATION

By: [Signature]  
Secretary

STATE OF OREGON )  
 ) ss.  
County of Washington )

Personally appeared before me the above named blado D. Baricevic, who did say he/she was the Secretary of Cedar Grove Homeowners Association and acknowledged the foregoing instrument to be his/her voluntary act and deed.



[Signature]  
Notary Public for Oregon  
My Commission Expires: 10-21-2000

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A part of Lot 2, Block 1, MYERS ADDITION TO REEDVILLE HOMES, in the County of Washington and State of Oregon, described as follows:

Beginning at the Northwest corner of Lot 2, Block 1, MYERS ADDITION TO REEDVILLE HOMES and running thence South 89°28' East along the North line of said Lot 2 for a distance of 696.8 feet to the Northeast corner thereof; running thence South 16°18' West 343 feet to an iron rod on the South line of said Lot 2; running thence North 89°26' West along said lot line for a distance of 604.2 feet to the Southwest corner of said Lot 2; running thence North 0°36' East 329.7 feet to the place of beginning.

EXCEPTING THEREFROM beginning at a point on the North line of Lot 2, Block 1, MYERS ADDITION TO REEDVILLE HOMES, in the County of Washington and State of Oregon, South 89°26' East 475.0 feet from the Northwest corner thereof; thence South 0°36' West parallel with the West line of said Lot 2, a distance of 330 feet to the South line of said Lot 2; thence South 89°26' East on said South line 129.2 feet to the Southeast corner of that tract conveyed to Harry R. Barney and wife by Deed Book 412, page 582; thence North 16°18' East 343 feet to the Northeast corner of said Lot 2; thence North 89°26' West 221.8 feet to the place of beginning.

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EXHIBIT <sup>A</sup>  
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