

BYLAWS OF
Woodhaven ESTATES HOMEOWNERS' ASSOCIATION

ARTICLE I

Definitions

Except as modified herein, this Association adopts the definitions set forth in the Declaration of Covenants, Conditions, & Restrictions of Woodhaven Estates, a subdivision recorded in the Polk County records as if fully set forth herein.

ARTICLE II

Section 1. Membership. Membership and voting rights of the Members shall be as set forth in the Declaration. Owners of lots or units expressly consent to membership in the Association.

Section 2. Enjoyment. Each Member shall be entitled to the use and enjoyment of the private commons and facilities as provided by the Declaration, the Articles of Incorporation and these Bylaws.

Section 3. Delegation of Rights. Any Member may delegate his rights of enjoyment in the common property to the resident of the property. Such Member shall notify the Secretary in writing of the name of any such person, and of the relationship of the Member to such person. The rights and privileges of such person are subject to suspension to the same extent as those of a Member.

Section 4. Responsibilities to The City of Salem. The Association is formed to maintain and care for the park to be built adjacent to Lot 86's north property line and the detention basin in Tract A, Phase one Woodhaven Estates. The Covenants, Conditions, and Restrictions for Woodhaven Estates paragraphs numbered 15 and 16 outline the funding and responsibilities that will sustain the performance of this obligation to the City of Salem by Woodhaven Estates Homeowners' Association.

Section 5. Liability to Third Parties. A Member is not personally liable for the acts, debts, liabilities or obligations of the Association merely by reason of being a Member.

Section 6. Suspension. The rights and easements of a Member may be suspended by the Board after the Member has been given an opportunity to be heard orally or in writing. Such Member shall be given prior written notice by certified mail, sent to the last address of the Member shown on the Association records, not less than ten (10) days prior to the effective date of the proposed suspension. Any such suspension by the Board shall be in writing, setting forth the good faith, reasons therefore and based upon a consideration of all the relevant facts and circumstances. Any suspension shall be effective fifteen (15) days after said written decision thereof is mailed to the Member. A suspended Member shall remain liable for assessments incurred prior to suspension.

Section 7. Resignation. Resignation of a Member under Oregon law only affects the Member's right to continue use of the common property. It shall not relieve the subject lot or unit from past or future assessment and lien as provided in the Declaration.

ARTICLE III

Board of Directors

Section 1. Number. No person shall be elected to the Board who is not a Member. The affairs of the Association shall be governed by a Board of Directors composed of five (5) individuals provided two Members of the same household or lot ownership may not serve as Directors simultaneously. A majority of the number of directors shall constitute a quorum.

Section 2. Powers. The board of Directors shall have the powers and duties necessary for the administration of affairs of the Association and may do all such acts and things as are not by law or these Bylaws directed to be exercised and done by the Members. This Association is organized exclusively as a Homeowners' Association under Section 528 of the Internal Revenue Code, and to that extent the Association shall have such powers as is lawful thereunder. Specifically, and by way of example and not by way of limitation, the Board of Directors shall be responsible for the surveillance, care, and upkeep of the common property; the collection of assessments from the Members in accordance with these Bylaws and the Declaration; the designation and dismissal of personnel necessary for the maintenance and operation of the common property and this Association; to call special meetings of the Members as set forth in these Bylaws; to adopt and publish rules and regulations governing the use of the common property; to cause to be kept, complete records of all its acts and corporate affairs and present a statement thereof to the Members at the annual meeting of the Members or at any special meeting at which such statement is requested in writing by twenty percent (20%) of the voting Membership as provided by these Bylaws.

Section 3. Delegation. The Board of Directors may employ a Management Agent who may be an Officer or assistant Officer of the Association at a compensation to be established by the Board and to perform such duties and services as the Board shall authorize including, but not limited to, the carrying out of the duties set forth in Section 2 of this Article.

Section 4. Newly Elected Board. The first meeting of the newly-elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly-elected Directors in order legally to constitute such meeting, providing a majority of the Board shall be present.

Section 5. Meetings. Regular meetings of the Board shall be held at least annually, and may be held at such time and place as shall be determined, from time to time, by a majority of Directors. Notice of regular meetings of the Board shall be given by the Secretary on a minimum of seven (7) days' notice to each Director, personally or by mail, telephone or telegraph, which notice shall state the time and place of the meeting. All meetings of the Board of the Association shall be open to Members.

Section 6. Notice to Members. To the greatest extent possible, the members desiring notice shall be provided notice of all Board of Directors meetings if practicable. To determine which members desire notice, when the annual assessment notice is sent out by the Board of Directors, they shall inquire from each member whether or not that member wishes to receive notice *for* each board meeting's to new people moving in during the year the Board of Directors shall have the responsibility to determine whether the new person or persons wish to be on that notification list. All persons who indicate a desire to be notified of meetings shall be provided with notice of said meetings.

Section 7. Special and Emergency Meetings. Special meetings of the Board may be called by the President, the Secretary, or on written request of any two (2) Directors upon four (4) days' notice to each Director. The notice shall describe the purpose of the special meeting. Emergency meetings may be held without notice, if the reason is stated in the minutes of the meeting. Only emergency meetings of the Board may be conducted by telephonic communication.

Section 8. Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting, 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 him at the time and place thereof, unless the Director, at the beginning of the meeting, objects to holding the meeting and does not vote for any action taken at the meeting.

Section 9. Insurance. The Board of Directors may require that all Officers and employees of the Association handling, or responsible for, Association funds shall furnish adequate fidelity bonds, the premiums on such bonds to be paid by the Association. At least once every two (2) years, the Board shall review the insurance coverage of the Association. The Board of an Association shall obtain:

- a) Insurance for all insurable improvements on the common property against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief. The insurance shall cover the full replacement costs of any repair or reconstruction in the event of damage or destruction from any such hazard if the insurance is available at reasonable cost; and:
- b) A public liability policy covering all common property and all damage or injury caused by the negligence of the Association. The policy may contain a reasonable deductible and the amount thereof shall be added to the face amount of the policy in determining whether the insurance equals at least the full replacement cost.

Section 10. Financial Matters. The Board shall annually cause to be filed the necessary income tax returns for the Association. The Board shall annually propose a budget for the Association and within thirty (30) days after proposing the budget, the Board shall provide a summary of the budget to all owners. Unless the Board is petitioned as per the next sentence, said budget shall be automatically adopted. However, if the Board is petitioned by owners representing twenty percent (20%) of the votes of the Association, the Board shall call a meeting of the Members to consider rejection of the budget. The date of the meeting shall be not less than fourteen (14) or more than thirty (30) days after the summary is provided to the Members. At the meeting,

whether or not a quorum is present, the budget shall be adopted unless a majority of the votes of the Association rejects the budget. If the proposed annual budget is rejected, the last annual budget shall continue in effect until a new one is adopted.

ARTICLE IV

Nomination, Election and Term of Office of Directors.

Section 1. Nominations Committee. Nominations for election of the Board of Directors shall be made by a Nominating Committee to be appointed by the Board. The Nominating Committee shall meet at least ten (10) days prior to the annual meeting and shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. At the annual meeting or at a special meeting called for elections, the Nominating Committee shall present its nominations to the Membership, and the President shall thereupon invite additional nominations from the floor. No Nominee may be nominated by the Committee or from the floor without the express oral consent of the Nominee having been obtained prior to the Nominee's nomination. All Nominee's must be current in their assessments, if Members of the Association. After the nominations are closed, the President shall call for the election of the Directors orally unless at least three (3) persons demand that the election shall be in writing, in which the President shall immediately direct the Secretary to prepare written ballots and the election shall proceed by written ballot. The announcement of the prevailing Nominees shall be made at the meeting. The President may designate an Election Committee to count the ballots from among the Members.

Section 3. Removal. At any regular or special meeting of the Members duly called, any one or more Directors may be removed, with or without a cause, by a majority vote of all Members present and entitled to a vote at any meeting of the Members at which a quorum is present. A Successor may then and there be elected to fill out the vacancy thus created. Any Director whose removal have been proposed by the Members shall be given an opportunity to be heard at the meeting. No removal of a Director is effective unless the matter of removal is an item on the agenda and stated in the notice for the meeting.

Section 4. Resignation. A Director may resign at any time by delivering written notice to the Board or the President.

Section 5. Vacancies. Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Association, including vacancies resulting from an increase in the number of Directors, shall be filled by a vote of the majority of the remaining Directors, and each person so elected shall be 4 Director until a successor is elected at the next annual meeting of the Association or a special meeting called for the purpose, even if the Directors remaining in office constitute less than a quorum.

Section 6. Staggered Terms. At the first meeting of the Board following the first meeting of the Members, the Directors shall determine as between themselves by lot that the term of one Director shall be three (3) years, the term of one Director shall be for two (2) years, and the term of one Director shall be for one (1) year. At the expiration of the initial term of office for each Director, the Successor shall be chosen for a term of three (3) years as provided in these Bylaws.

ARTICLE V

Officers

Section 1. Officers. The principal Officers of the Association shall be a President, a Vice-President, and a Secretary Treasurer all of whom will be elected by and from the Board. The Directors may appoint an Assistant Treasurer or Assistant Secretary and such other Officers as in their judgment may be necessary.

Section 2. Election. The Officers of the Association shall be elected annually by the Board, at the organization meeting of each new Board, and shall hold office at the pleasure of the Board.

Section 3. Removal and Resignation. The election of an Officer does not in itself create contract rights. An Officer may resign at any time by delivering written notice to the Board.

Upon the affirmative vote of a majority of the Members of the Board, any Officer may be removed, either with or without cause. In either case, a Successor may be elected at any regular meeting of the Board, or any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board and shall have all of the general powers and duties which are usually vested in the Office of President of an Association including, but not limited to, the power to appoint committees from among the Members from time to time as in the President's discretion, is appropriate to assist in the conduct of affairs of the Association.

Section 5. Vice-President. The Vice-President shall take the place of the President and perform such duties whenever the President shall be absent or unable to act, and have such other and further duties as the President shall determine. If neither the President nor the Vice-President is able to act, the Board shall appoint some other Member of the Board to do so on a temporary basis.

Section 6. Secretary/Treasurer. The Secretary/Treasurer shall keep the minutes of all meetings of the Board of Directors and the minutes of all of the Association; shall have charge of the books and records and papers of the Board and of the Association; shall prepare an alphabetical list of names, addresses, and membership dates of the Members; and shall have the responsibility of the Association's funds and securities and be responsible for keeping full and accurate accounts of all receipts and disbursements and books belonging to the Association. The Secretary/Treasurer shall have the responsibility to authenticate the records of the Association and shall carry out other and further duties and shall oversee the responsibilities of Assistant Secretaries and Assistant Treasurers under and pursuant to the direction and control of the Board. The

Secretary/Treasurer may be compensated in such manner and in such amount as the Board shall deem appropriate.

Section 7. Compensation. Officers and Directors other than the Secretary/Treasurer shall serve without compensation unless the Members, by a two-thirds (2/3) vote, shall approve compensation for such Officers or Directors. Directors may receive reimbursement for all expenses incurred on behalf of the Association.

ARTICLE VI

Meetings of Members

Section 1. Place of Meeting. Meetings of the Association will be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors.

Section 2. Annual Meeting. The first annual meeting of the Association shall be held during the month of January each year. At such meetings, there shall be elected by the Members a Board in accordance with these Bylaws, and the Members may also transact such other business of the Association as may properly come before them.

Section 3. Special Meetings. The President may call a special meeting of the Members at any time, and shall do so upon the request of two (2) Directors or upon a petition signed by twenty percent (20%) of the Members having been duly signed, dated, and delivered to the Secretary, which petition sets for the purpose for which special meeting is to be held.

Section 4. Notice. It shall be the duty of the Secretary/Treasurer to send by First Class Mail a notice of each annual or special meeting, stating the purpose thereof, including a statement as to any extraordinary business to be considered, as well as the date, time, and place where it is to be held, to each Member, at least ten (10) but not more than fifty (50) days prior to such meeting. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Quorums. The presence in person or by proxy of fifty-one percent (51%) of those persons eligible to vote in accordance with the percentages assigned in the Declaration shall constitute a quorum.

Section 6. Votes. Votes may be cast in person or by written proxy. Proxies must be filed with the Secretary in writing before the appointed time of each meeting. The affirmative vote OF the majority of votes, represented and voting at a meeting where a quorum is present, is the act of the Members.

Section 7. Adjournment. A majority of the votes represented at a meeting of Members, whether in person or by proxy, whether or not a quorum, may adjourn the meeting to an announced place, date and time, not less than forty-eight (48) hours from the time the original meeting was called, and new notice need not be given.

Section 8. Order of Business. Except as otherwise provided in the Articles, Declaration, or in these Bylaws to the contrary, the order of business and method proceeding with business shall be set forth in the latest published edition of Robert's Rules of Order.

ARTICLE VII

Committees

Section 1. Standing. The Standing Committees of the Association shall consist of such Standing Committees as the Board of Directors shall determine. The duties of each Committee shall be set forth by the Board and their membership shall be made up in such manner as may be determined, from time to time, by the Board.

Section 2. Ad Hoc. In addition to the Standing Committees, the Association may have other temporary or special committees carrying out such duties and responsibilities as the Board may, from time to time, determine.

ARTICLE VIII

Amendment

Section 1. Procedure. These Bylaws may be amended by the Association at a duly constituted meeting called for such purpose, but no amendment shall be effective unless approved by the Members representing at least a majority of the Members and until such amendment has been certified by the President and Secretary of the Association. No amendment may be adopted that would cause the Association to lose its qualification as an exempt Organization under Section 528 of the Internal Revenue Code as the same is currently enacted or as may be subsequently amended or fail to remain qualified as an Oregon Non-profit Corporation.

ARTICLE VIII

Rules and Regulations

Section 1. Rules. The Board of Directors may promulgate, by two-thirds (2/3) vote such additional rules and regulations governing the details of the operation and use of the common property as they shall in their discretion determine. Such rules and regulations shall be furnished to all Members.

Administration of the Association

Section 1. Employment. The Board of Directors may employ for the Association, after approval by a majority vote at a Meeting of the Members, such persons necessary, useful, or desirable for the maintenance, upkeep, and repair of the common elements, or other Association purposes, as the Board shall determine.

Section 2. Expenditures. The Association shall maintain such adequate books and records of account as good general business practice requires and for the purposes hereof, may acquire the services of a professional accountant, public accountant, or certified public accountant.

Section 3. Year. The fiscal year of the Association shall be a calendar year or such other year as the Board of Directors shall determine.

These Bylaws were duly and regularly adopted by the members of Woodhaven Estates Homeowners' Association on the 16th day of December, 1998.

Secretary *Peter A. Kuysk*

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STATE OF OREGON)
) ss.
County of Macon)

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State of Oregon
County of Polk
I hereby certify that this instrument was
received and duly recorded by me in
Polk County records. AC
Linda Dawson, County Clerk

The foregoing instrument was acknowledged to before me this 16th day of Dec.,
1998, by Peter A. Kuysk as President of Deacon Homes, Inc.
Secretary for the Association



Mark D Grenz
Notary Public of Oregon
My commission expires: 7/8/02

Return: MUTH-TECH