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**Bylaws For
Whispering Pines Homeowners Association**

ARTICLE 1

CREATION, NAME AND LOCATION

The name of the association is Whispering Pines Homeowner's Association, hereinafter referred to as the "Association." The principal office of the Association shall be located at: 2255 N.E. Cornell Road, Hillsboro, Oregon 97124, but meetings of members and directors may be held at such places within the State of Oregon, as may be designated by the Board of Directors. The Association is a nonprofit corporation formed under ORS 65.001 e. seq., comprised of the association of owners in a planned community in accordance with ORS 94.625 and 94.630. A legal description of the property covered in the planned community is attached hereto as Exhibit "A".

ARTICLE 11

DEFINITIONS

Section 1. "Association" shall mean the Whispering Pines Homeowners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Planned Community and Protective Covenants, Conditions and Restrictions For Whispering Pines Subdivision (the "Declaration"), and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. “Declarant” shall mean and refer to Staats Lake, L.L.C., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. “Member” shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 8. “Transitional Advisory Committee” shall mean the committee required by ORS 94.604.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of organization of the Association, and called by the Declarant, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7 PM. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote forty percent (40%) of all the votes of the members.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member’s address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence of, or proxies entitled to cast, thirty percent (30%) of all votes shall constitute a quorum unless otherwise provided in the Declaration or otherwise provided in these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his/her Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors, who need to be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year and two directors for a term of two years; and at each annual meeting thereafter the members shall elect the number of vacant seats for a term of two years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association in accordance with ORS 94.640(5). In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of hi/her predecessor.

Section 4. Compensation. No director shall receive compensation for any service her or she may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NONINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment

shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members.

Section 2. Election. Election to the Board shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meeting of the Board shall be held at least annually, or more frequently as determined by the Board, with notice as provided in ORS 94.640(7) and at such place and hour as fixed by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. All meetings of the Board shall be open to the Owners.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days written notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at the duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board shall have power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof. Such rules and regulations may be adopted at any meeting by a majority vote of the Board and shall be effective (3) days after placed in the mail, postage prepaid, to each member at his or her address on file with the Association and a certificate of mailing placed in the minute book and posted in a conspicuous place;

- (b) Suspend the voting rights and right to use any recreational facilities or common areas of a member during any period in which such member shall be in default in payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not exceed 60 days for infraction of published rules and regulations;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, any Articles, or the Declaration;
- (d) Declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;
- (e) Employ a manager, independent contractor, or such other employees or agents as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board to:

- (a) Cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the members at the annual meeting of the members, or any special meeting when such statement is requested in writing by forty percent (40%) of the votes of the members;
- (b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully described in the Declaration, to:
 - (1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each assessment period;
 - (3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

- (e) Procure and maintain adequate insurance on property owned by the Association and any other insurance required under ORS 94.675 ET SEQ.;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) Cause the Common Area to be maintained;
- (h) Cause annual financial statements as required under ORS 94.670 to be prepared and distributed.
- (i) Be familiar with and comply with ORS 94.640;
- (j) Monitor front yard maintenance for compliance with minimum standards to be set by the Board, or cause such maintenance to be completed and the cost of which shall be assessed against such noncomplying Lot.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed. Or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

- (a) The president shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all documents and other written instruments; and shall co-sign all checks and promissory notes.

Vice-President

- (b) The vice-president shall act in the place and stead of the president in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.

Secretary

- (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the members; keep the association seal and affix it on all papers requiring said seal; serve notice of meetings of the Board and the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

- (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget for adoption by the Board at its annual meeting pursuant to ORS 94.645, statement of income and expenditures, and a balance sheet to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members after approval by the Board pursuant to ORS 94.670.

**ARTICLE IX
COMMITTEES**

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, any Articles, and By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost. The examination by members and duty to keep documents shall be controlled by ORS 94.670

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 12 percent per annum, or the maximum amount allowed by law, whichever is lower, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action, including and attorney's fees on appeal, in arbitration, required for collection or any such other fees, shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of his or hers Lot.

ARTICLE XII

AMENDMENTS

These By-Laws may be amended, at a regular or special meeting of the members, by a vote of the majority of a quorum of members present in person or by proxy. In case of any conflict of the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIII

MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end the 31st day of December of every year, except that the first fiscal year shall begin on the date of organization.

Section 2. Transitional Advisory Committee. A Transitional Advisory Committee shall be established in accordance with ORS 94.604.

Section 3. Turnover Meeting. At any time before 120 days after lots representing 75 percent of the votes have been conveyed, the Declarant shall call a meeting, providing the same notice as required for a meeting of members hereunder along with a statement of the purpose of such meeting, for the purpose of turning over administrative responsibility for the planned community to the Association. If the Declarant does not call a meeting under this Section within the required time, the Transitional Advisory Committee or any owner may call the turnover meeting, providing the same notice as required for a meeting of the members hereunder along with a statement of the purpose of such meeting. The turnover meeting shall be conducted in accordance with ORS 94.616.

Section 4. Program for Maintenance, upkeep and repair of Common Property. The president, with approval from the Board, shall select an independent contractor to maintain and repair the common property. Such relationship shall be formalized by contract which must be approved by the Board. The cost of such contract shall be paid from the Associations and the Association shall collect assessments from the Owners to pay for such contract. All payment vouchers shall be submitted to the treasurer for approval and payment, and approved by the president and Board before payment.

Section 5. Common Area Expenses. All owners shall bear their proportional responsibility for payment of common area expenses. Such obligation shall be assessment from the Board proportionately to all Lots.

Section 6. Insurance. Insurance shall be obtained as required by ORS 94.675, et seq. The cost of such insurance shall be considered a "Common Area Expense". In addition, each Lot owner must obtain the following insurance: Fire and extended coverage for liability in an amount of at least \$100,000.00. Each lot owner is precluded from obtaining the following insurance: NONE. Any insurance purchased by the Board may be brought into contribution with insurance bought by owners or their mortgagees if allowed under the insurance policy.

Section 7. Annual Budget. An annual budget shall be prepared in accordance with ORS 94.645