

BYLAWS
Of the
Townhome Condominium Association

ARTICLE I

Definitions

Section 1: “Association” shall mean and refer to the Townhome Condominium Association.

Section 2 “Association of Members” means all the unit owners and other persons entitled to vote acting as a group in accordance with the Declaration and Bylaws.

Section 3: “Common Elements” means parks, commons, streets, footways, buildings, structures, personal properties, and any and all other properties owned and maintained by the Association for the common benefit and enjoyment of all the members of the Association.

Section 4: “Common Expenses” means the expenses of administration, maintenance, repair or replacement of the common elements, expenses agreed upon as common by the unit owners and expenses declared common by the Oregon law, or by the Declaration, or the Bylaws of this association.

Section 5: “Declaration” means the master deed plus amendments and supplements hereto, that is, and are, the instrument, or instruments by which the property is submitted to the provisions of the Oregon Condominium Act (ORS Chapter 100), or as may be hereinafter amended.

Section 6: “Majority of Members” means those persons or entities holding fifty-one percent (51%) of the votes.

Section 7: “Member” means that person or entity having voting rights in the Association pursuant to the Declarations and the Articles of Incorporation.

Section 8: “Owner” means the record owner, or contract purchaser, whether one or more persons or entities, of a fee simple title to any living unit situated upon the property, but notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 9: “Properties” or “Property” means the land, whether leasehold or in fee simple, all building, improvements and structures thereon, and all easements, rights, and appurtenances belonging thereto, which are submitted under the provisions of the Oregon Condominium Act (ORS Chapter 100) pursuant to the Declaration, Articles, and Bylaws of the Townhome Condominium Association.

Section 10: “Unit” or “Living Unit” means a part of the property, included in a building intended for independent residential use, and with a direct exit to a public street.

Section 11: “Unit Designation” means the number, letter or combination thereof designating a unit in the Declaration.

ARTICLE II

Membership

Section 1: The method of selection of members and the rights of members are as set forth in the Declaration, the Articles of Incorporation and these Bylaws.

Section 2: The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of, and becomes a lien upon, the property against which such assessments are made as provided in the Declaration to which the properties are subject and recorded and of the Articles of Incorporation.

Section 3: The membership rights of any person whose interests in the properties are subject to assessment under the Declaration, Articles of Incorporation and these Bylaws, whether or not he be personally obligated to pay such assessments, may be suspended by action of the directors during the period when the assessments remain unpaid. Upon payment of such assessment, his rights and privileges shall be automatically restored.

ARTICLE III

Property Rights and Rights of Enjoyment of Common Property

Section 1: Each member shall be entitled to the use and enjoyment of the common elements and facilities as provided by the Declaration and the Articles of Incorporation and these Bylaws.

Section 2: Any member may delegate his rights of enjoyment in the common elements to the members of his family who reside upon the property or to any of his tenants who reside thereon under a leasehold interest. Such member shall notify the Salemtowne Civic Association (SCA) Office in writing of the name of any such person. The rights and privileges of such persons are subject to suspension to the same extent as those of a member.

ARTICLE IV

Board of Directors

Section 1: The affairs of the Association shall be governed by a Board of Directors composed of

three (3) persons who are members of the Association, provided that husband and wife may not serve as directors simultaneously.

Section 2: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. The Directors shall be responsible for the care, upkeep and surveillance of the properties and the common elements, the collection of annual assessments and when necessary, from the owners in accordance with these Bylaws and the Oregon Condominium Act (ORS Chapter 100); the common elements 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 elements and the personal conduct of the members and their guests.

Section 3: The Board of Directors may employ such association and management agent 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: Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings of the Board of Directors may be called by the President on three (3) days notice to each director, personally or by email, mail or telephone which notice shall state the time, place, and purpose of the meeting. All regular meetings of the Board of Directors shall be open to members of the Association.

Section 5: Special meetings of the Board of Directors may be called by the President on three (3) days notice to each director, given personally or by mail, email, or telephone. The notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Vice-President in like manner and on like notice on the written request by any one (1) director.

Section 6: At all meetings of the Board of Directors, the majority of the directors shall constitute a quorum for the transaction of business, and the acts of the quorum of the directors shall be the acts of the Board of Directors.

ARTICLE V

Election and Term of Office.

Section 1: Directors to manage the business of the association shall be elected at the annual meeting of the members, which election shall be by a show of hands.

Section 2: The unexpired term of any resigned or deceased director shall be filled by appointment by the remaining directors.

Section 3: At any regular or special meeting of the members duly called, any one or more of the directors may be removed with or without cause by majority vote of the members present and a successor may then and there be elected to fill out the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

ARTICLE VI

Officers

Section 1: The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He 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 owners from time to time as he may, in his discretion, determine as appropriate to assist in the conduct of the affairs of the Association.

Section 2: The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. He shall carry out other and further duties under and pursuant to the direction and control of the Board of Directors.

Section 3: The Treasurer shall have charge of the books and records and papers of the Board of Directors and of the Association, 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. He shall carry out other and further duties under and pursuant to the direction and control of the Board of Directors.

Section 4: Directors may receive reimbursement for all expenses incurred on behalf of the Association.

ARTICLE VII

Meeting of Members

Section 1: Meetings of the Association will be held at the principal place convenient to the owners as may be designated by the Board of Directors.

Section 2: The annual meeting of the Association will be held in June. At such meetings, there shall be elected a Board of Directors in accordance with these Bylaws, and the owners may also transact other business of the Association as may properly come before them.

Section 3: The President may call a special meeting of the members at any time and shall do so upon the written request of any two (2) directors, or upon a petition signed by 10% of the members and having been duly presented to the Secretary. The notice of any special meeting

shall state 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 4: It shall be the duty of the Secretary to give written notice of each annual or special meeting, stating the agenda and a time and place for the meeting to each member at least five (5) days but no more than ten (10) days in advance of the meeting.

Section 5: 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 may be cast in person or by proxy; proxies must be filed with the Secretary in writing before the appointed time of each meeting.

Section 7: If any meeting of members cannot be organized because a quorum has not attended, the members who are present; either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

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

ARTICLE VIII

Obligations of the Owners

Section 1: All owners are obligated to pay an annual assessment as well as any additional assessment(s) imposed by the Association to meet all common expenses.

Section 2: Each owner must perform promptly all maintenance and repair work within his own living unit, which, if omitted, would affect the properties in their entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender. All repairs or internal installations of the unit, such as water, light, gas, power, sewer, telephone, air conditioning, sanitary installation, doors, windows, lamps, and all other accessories belonging to the unit area shall be at the owner's expense. An owner shall reimburse the Association for any expenditure incurred by it in repairing or replacing any common element damaged through the fault or negligence of an owner. The owner is responsible for repair and maintenance of his own deck or decks. Privacy Screens between adjoining atriums and between adjoining decks are considered as part of the buildings and repairs are to be paid by the Association.

Section 3: An owner shall not make structural modifications or alterations in his living unit or installation located therein without approval of the Association Board of Directors and the SCA Architectural Control Committee.

Section 4: An owner shall not place, or cause to be placed in the common elements any furniture, packages, automobiles, or objects which could or will block normal transit through such common elements. An owner shall take no action which would unreasonably interfere with the use of the respective living units by other owners or the use of the common elements by the other owners.

Owners shall not plant or remove trees, shrubs or other plants on common ground without Board permission. A fine of Fifty Dollars (\$50) will be charged for each infraction of this rule. In each case of an infraction the area involved must be restored to its original condition by the person disobeying this by-law.

Section 5: An owner shall grant the right of entry to any person authorized by the Association Board of Directors in case of any emergency originating in, or threatening, his unit, whether the owner is present at the time or not. An owner shall permit the other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at the time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

Section 6: (a) No resident of a living unit shall post any advertisement or poster of any kind in or upon the properties except as authorized by the Association.

(b) Residents shall exercise extreme care about making noise or the use of musical instruments, or radios, televisions or amplifiers that may disturb other residents. Those keeping domestic animals will abide by the laws and ordinances of the SCA.

(c) No garments, rugs, rags, laundry or other clothing or materials shall be allowed to hang from the windows or from any of the facades of the properties.

(d) No person will shake dust rags or clean rugs from the windows or by beating them upon the exterior part of the part of the property.

(e) All residents shall provide and use appropriate garbage and recycling containers.

(f) No owner, resident, lessee or person shall install wiring for electrical or telephone installation, machines or air conditioning units, on the exterior of the properties or that protrude through the walls or the roof of any unit or building on the property except as authorized by the Association. A resident must receive approval from the Association Board of Directors before attaching anything to the vinyl siding. Positioning of satellite dishes must be installed in the least obtrusive location.

(g) Parking of second vehicles, boats, trailers, motorcycles, trucks, truck campers and like equipment shall be allowed only within the confines of individual garages. No portion of such equipment may project beyond that area. Permits to park in vehicle storage area must be obtained from SCA.

Section 7: Failure by the owner to pay any assessment by the Association shall be a default by the owner and subject the owner and the unit to the obligations of these Bylaws and the Oregon Condominium Act (ORS Chapter 100) as set forth in these Bylaws, and the Declaration. Any default by the owner in any such manner shall be deemed to be a default by the owner of any

mortgage to which the owner is a party or to which the unit is subject.

Section 8: The entity governed hereby is intended to have jurisdiction over a condominium development known as Townhome Condominium Association, which project is a part of the Planned Unit Development known as Salemtowne, and members of this association shall also maintain membership in Salemtowne Civic Association.

ARTICLE IX

Amendments

Section 1: These Bylaws may be amended by the Association at a duly constituted meeting called for such purposes. These Bylaws may be amended only by assent of a simple majority of those voting.

ARTICLE X

Administrative Rules and Regulations

Section 1: The Board of Directors may promulgate such additional administrative rules and regulations governing the details of the operation and use of the common elements, by majority vote, as they shall in their discretion, determine. Such rules and regulations shall be furnished to all members and be subject to change without notice.

ARTICLE XI

Financial Administration of the Association

Section 1: The Board of Directors may employ, for the Association such other and different persons necessary, useful or desirable for the maintenance, upkeep and repair of the common elements, or other Association purposes as determined by the Association's Board of Directors.

Section 2: The Treasurer shall have the authority to disburse funds only up to \$400. For any expenditure of funds over and above the said sum, the check or draft therefore shall contain the approval of and the signature of the President and Treasurer. 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: The fiscal year of the Association shall be considered to start on June 1 and end on May 31.

Section 4 (a) Beginning June 1, 2013, new owners of Townhome Condominium Units will be

required to pay to the Association a Transfer Equity Fee of \$1000. This additional payment will be added to Townhome Condominium's Reserve Fund.

Article XII

Insurance

The insurance other than title insurance which shall be carried upon the Association's property and the property of the owners shall be governed by the following provisions:

Section 1: All insurance policies upon the Association's property shall be purchased by the Association for the benefit of the Association and the owners and their mortgagees as their interests may appear, and provision shall be made for the issuance of certificates of mortgagee endorsement to the mortgagees of owners. Insurance premiums are billed on a pro-rated basis to the best of their ability by the association's insurance company. Owners may obtain insurance coverage at their own expense upon their own personal property and for their personal liability and living expense.

Section 2: (a) Buildings and improvements upon the land and all personal property included in the common elements shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against:

- (1) Loss or damage by fire, earthquake and other hazards covered by a standard extended coverage endorsement, and
- (2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to vandalism and malicious mischief.