

BYLAWS
OF
LAKE SHORE ESTATES HOMEOWNERS ASSOCIATION

ARTICLE I - INTENT/PURPOSE

These Bylaws are intended to comply with ORS 65, and, in the event any provision is in violation of any such statute, the provision which violates Oregon law shall be severed from these Bylaws and all remaining provisions shall continue in full force and effect. All references to statutes are intended to be to those statutes in effect on the date of the adoption of these Bylaws, unless the effect of an amendment is to negate, reverse or materially change reasonable intent, each statute is to be construed as if attached and fully incorporated in these Bylaws, and shall include any and all amendments thereto. In the event a statute is repealed or invalidated, then the same provision shall be severed without affecting the remainder of these Bylaws.

ARTICLE II - MEMBERSHIP AND VOTING

Section 1. **Members.** Each owner of a lot in Lake Shore Estates subdivision shall be a member of the corporation.

Section 2. **Owner.** "Owner" means the record owner, whether one or more persons or entities of a fee simple title to any lot, parcel or tract, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation. When more than one person is the owner of any lot, all such persons shall be members.

Section 3. **Termination and Transfer of Membership.** Membership in the corporation is not transferable or assignable, except by the automatic transfer when a member ceases to be an owner of a lot subject to the jurisdiction of this corporation.

Section 4. **Voting Rights.** Each member of the corporation shall exercise one vote for each lot he or she is entitled. When more than one person holds an interest in any lot, the vote for such lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any one lot.

ARTICLE III - MEETINGS OF MEMBERS

Section 1. **Annual Meetings.** The annual meeting of the members for election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting shall be held at such hour and location between July 5 and July 20 as the President may designate.

Section 2. **Special Meetings.** Special meetings of the members for any purpose or purposes may be called at any time by the President of the corporation or by the Board of Directors at such time and place as

the President or Board of Directors may prescribe. Special meetings of the members may also be called by members who are entitled to vote one-fourth of all the votes entitled to be cast. It shall be the duty of the Secretary of the corporation, upon request by such members, to call such special meeting of the members to be held at such time and place as the Secretary may fix, not less than 10 days nor more than 50 days after the receipt of said request, and if the Secretary shall neglect or refuse to issue such call within five days of such receipt, the members making the request may issue the call and specify therein the time and place of the meeting.

Section 3. Notice of Meetings. Written or printed notices stating the date, place, and hour of the meeting, and the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the President or Secretary, or the members calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the member at such member's address as it appears in the records of the corporation.

Section 4. Quorum. Members holding one-fourth of the votes entitled to be cast at any meeting, represented in person or by proxy, shall constitute a quorum. If such quorum shall not be present or represented at any meeting, the members entitled to vote shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be presented or represented. 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.

Section 5. Proxies. At membership meeting, any member may vote by proxy, executed in writing by such member, which proxy shall be valid only if executed and dated within three months of the date of the meeting at which the proxy vote of the active member is to be cast.

ARTICLE IV - REGISTERED AGENT AND OFFICE

Lake Shore shall continuously maintain in the state of Oregon a registered agent who shall be an individual who resides in Oregon and within the boundaries of the principal office, or a domestic business or nonprofit corporation with an office in Oregon within the boundaries of the principal office.

The registered office of Lake Shore shall be the residence or office address of the registered agent. The registered agent or office may be changed from time to time by the Board of Directors upon compliance with the requirements of the Oregon Nonprofit Corporation Act.

ARTICLE V - BOARD OF DIRECTORS

Section 1. **General Powers.** All corporate powers shall be exercised by and all business of Lake Shore shall be managed by or under the direction and authority of the Board of Directors.

Section 2. **Number.** The number of the directors of the corporation shall be set from time to time by the Board of Directors. At no time shall the number of directors be fewer than three nor more than seven directors.

Section 3. **Term.** The term of each director shall be for a period of three years or until such director's successor is elected and qualified to serve. The Board shall adopt staggered terms to avoid a complete turnover of the Board of Directors. To accomplish those staggered terms, the initial Board of Directors consisting of three directors shall be elected, one for a one-year term, one for a two-year term, and one for a three-year term. Such directors' successors shall be elected for three-year terms upon the expiration of the initial term. Any directors seats created by an expansion of the Board of Directors shall be designated so as to protect the staggered nature of directorship terms.

Section 4. **Election of Directors.** Directors shall be nominated and elected by members of the corporation at the annual meeting of the members.

Section 5. **Regular Meetings.** A regular meeting of the Board of Directors shall be held not less often than quarterly at such time and place as the directors shall determine. Except as may be required under the Oregon Nonprofit Corporation Act, or these Bylaws, no other notice of the date, time or place of the regular meeting shall be required.

Section 6. **Annual Meetings.** Lake Shore shall hold an annual meeting of the Board of Directors at the same time as the annual meeting of the members. The Board of Directors shall elect officers at such annual meeting, and shall conduct such other business as comes before the Board.

6.1 **Notice.** Notice of the meetings of the Board of Directors shall be in the same manner as notice of the meeting of the members, except for regularly scheduled meetings of the Board for which no notice shall be required.

Section 7. **Compensation.** Directors shall not be entitled to regular compensation. Lake Shore may reimburse directors for legitimate expenses incurred for the benefit of Lake Shore, or for business of Lake Shore, provided such expenditure has been approved in advance by the Board of Directors.

Section 8. **Special Meetings.** Any member of the Board of Directors shall be authorized to call a special meeting of the Board of Directors upon giving written notice to each of the directors not less than 5 days prior to the time and place scheduled for such meeting. Such notice shall specifically describe the time and place for such meeting

and the agenda and business items to be brought before the Board at such meeting. No other business may be brought before the Board, other than as specifically described in the written notice of the special meeting.

The attendance of a director at a special meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

8.1 Waiver of Notice. A special meeting of the Board of Directors may be had at any time and from time to time, and any business may be conducted at such meeting provided that all then current members of the Board of Directors are present at such meeting and acknowledge and consent to the business brought before the meeting.

Section 9. Quorum. A majority of the members of the Board of Directors then in office immediately before commencement of the meeting shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. A director shall be deemed present at any meeting where all directors participating may simultaneously hear each other during the meeting, irrespective of whether or not they are present in person or by telephonic conference.

9.1 Majority. Unless expressly provided otherwise in these Bylaws or the Oregon Nonprofit Corporation Act or other law or directive governing the corporation, the act of a majority of the directors present at a meeting at which there is a quorum present shall be the act of the Board of Directors.

9.2 Action Without a Meeting. Any action required or permitted to be taken at a meeting of directors may be taken without a meeting if a written consent setting forth the action so taken is signed by all directors entitled to vote on the action. Such consent shall have the same force and effect as a unanimous vote of the directors.

Section 10. Removal of Directors. Except as provided herein, any director may be removed from office with cause at any meeting of the membership at which there is a quorum by a vote of two-thirds of the members in attendance, provided that prior notice that removal of a director will be considered at the meeting is given to the membership in the manner required for a special meeting.

Section 11. Vacancies. If a vacancy arises on the Board of Directors, whether by resignation, removal or expansion of the Board, such vacancy may be filled by special election of the directors prior to the next annual meeting. The newly appointed or elected director shall complete such director's term without need for re-election at the annual meeting unless such term ended at the next annual meeting.

ARTICLE VI - OFFICERS

Section 1. Designation. The officers of the corporation shall be the President, Vice-President, Secretary, and Treasurer. The Board shall elect such other officers and Vice-Presidents as may be necessary to conduct the business of Lake Shore as determined by a majority of the

Board of Directors. Each officer shall serve a term of one year, or until their successor is elected and duly qualified.

Section 2. Duties of Officers.

2.1 **President.** The President shall be the principal executive officer of Lake Shore, and subject to control by the Board of Directors, shall supervise all the business and affairs of Lake Shore. The President shall preside at all meetings of the Board of Directors and, in general, shall perform all duties incident to the office of President, and such other duties as may be prescribed by the Board of Directors. The President may sign with the Secretary or any other proper officer of Lake Shore authorized by the Board of Directors, any contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or these Bylaws to some other officer or agent of Lake Shore, or shall be required by law to be otherwise signed or executed.

2.2 **Vice-President.** In the absence of the President, or in the event of the President's death, inability or refusal to act, the Vice-President shall perform the duties of the President and when so acting, shall have all powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such duties as from time to time may be assigned to the Vice-President by the President or the Board of Directors. The Vice-President shall succeed to the office of President for the following year unless removed as provided for in these Bylaws, or such Vice-President resigns.

2.3 **Secretary.** The Secretary shall keep or cause to be kept at the principal office, or at such other place as the Board of Directors may order, a book of minutes of all meetings of directors, showing the time and place of the meeting, whether such a meeting was regular or special, and if special, how authorized, the notice given, the names of those present, and the proceedings of that meeting. The Secretary shall, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or the Board of Directors.

2.4 **Treasurer.** The Treasurer shall be responsible for the funds of Lake Shore, shall pay the amount only on the checks of Lake Shore signed in the manner authorized by the Board of Directors, shall deposit and withdraw such funds in such depositories as may be authorized by the Board of Directors, and shall keep full and accurate receipts and disbursements in books maintained at Lake Shore's principal office, or at such other place as the Board of Directors may direct. The Treasurer shall, in general, perform all duties incident to the office of Treasurer, and such other duties as from time to time may be assigned to the Treasurer by the President or the Board of Directors.

Section 3. **Removal and Resignation.** Any officer may be removed, with or without cause, by affirmative vote of two-thirds of the directors at any meeting at which there is a quorum, provided that prior notice that removal will be considered at the meeting has been given to the Board of Directors in the manner required by special meetings. Any

director removed in accordance with these Bylaws who is occupying any other office, shall be deemed to have been removed from such office. Any officer may resign at any time by giving written notice to the President or Secretary of such resignation. Any such resignation shall take effect at the later of the date of actual receipt two days after it is postmarked and mailed by United States Mail, first class postage prepaid and correctly addressed, or the time specified in such notice.

Section 4. Vacancies. If the office of the President becomes vacant for any reason at any time, the Vice-President shall immediately succeed to the office of President for the remainder of the term and the next succeeding term. If any other office becomes vacant for any reason at any time, the vacancy shall be filled by the Board of Directors for the unexpired portion of the term.

If the office of Vice-President becomes vacant, the vacancy shall be filled by the Board of Directors for the unexpired portion of the term. The Vice-President shall succeed as to the office of President at the end of such term and for the next succeeding term occupying the office of President.

ARTICLE VII - CONTRACTS, LOANS, CHECKS, AND DEPOSITS

Section 1. Contracts. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or agent of Lake Shore to enter into any contract or execute any instrument in the name of and on behalf of Lake Shore. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors and unless inherent in the authority vested in the office under the provisions of these Bylaws, no officer, agent or employee of Lake Shore shall have any power or authority to bind Lake Shore by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or for any amount.

Section 2. Loans. No loans shall be contracted on behalf of Lake Shore, and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes, or other debt issued in the name of Lake Shore shall be signed by such officer or officer's agent or agents of Lake Shore, and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of Lake Shore not otherwise employed, shall be deposited from time to time to the credit of Lake Shore in such banks, trust companies, other depositories as the Board of Directors may select.

Section 5. Prohibited Loans. Lake Shore shall not lend money to or guarantee the obligations of any director or officer or employee of Lake Shore.

ARTICLE VIII - COMMITTEES

Lake Shore shall appoint such committees as the Board of Directors, in the Board's sole discretion, deems appropriate. There shall be no annual standing committees.

ARTICLE IX - INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. **Directors and Officers.** Lake Shore shall indemnify to the fullest extent permitted by law any person who is made, or threatened to be made a party to or witness in, or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise, including any action, suit or proceeding by or in the right of Lake Shore by reason of the fact that the person is or was a director or officer of Lake Shore.

Section 2. **Employees and Other Agents.** Lake Shore may indemnify its employees and other agents to the fullest extent permitted by law in the sole discretion of the Board of Directors.

Section 3. **Advances of Expenses.** The expenses incurred by a director or officer in connection with any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise which the director or officer is made or threatened to be made a party to or witness in, or is otherwise involved in, shall be paid by Lake Shore in advance upon written request of the director or officer if the director or officer furnishes a written affirmation of his or her good faith believe that he or she is entitled to be indemnified by Lake Shore and furnishes Lake Shore a written undertaking to repay such advance to the extent that it is ultimately determined by a court that he or she is not entitled to be indemnified by Lake Shore. Such advances shall be made without regard to the person's ability to repay such expenses and without regard to the person's ultimate entitlement to indemnification under this article or otherwise. For purposes of this article, expenses includes, but is not limited to attorney fees.

Section 4. **Nonexclusive Rights.** The rights conferred on any person by this article shall be in addition to any rights to which a person may otherwise be entitled under any articles of incorporation, bylaws, agreement, statute, policy of insurance, vote of the Board of Directors, or otherwise.

Section 5. **Survival of Rights.** The rights conferred on any person by this article shall continue as to a person who has ceased to be a director, officer, employee or agent of Lake Shore, and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 6. **Amendments.** Any repeal of this article shall be prospective only and no repeal or modification of this article shall adversely affect any right or protection that is based upon this article and that pertains to an act or omission that occurred prior to the time of such repeal or modification.

Section 7. Transactions Between Lake Shore and Interested Persons.

A transaction with Lake Shore in which a director of Lake Shore has a direct or indirect interest is not voidable by Lake Shore solely because the director's interest in the transaction if the material facts of the transaction and the director's interest were disclosed or known to the Board of Directors, and the Board of Directors authorized, approved or ratified the transaction with such knowledge. Authorization, approval or ratification occurs if a majority of the directors on the Board of Directors who have no direct or indirect interest in the transaction vote to authorize such transaction.

7.1 Disqualification. A director of Lake Shore shall not be disqualified by the director's office from contracting with Lake Shore as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of Lake Shore in which any director is in any way interested be voided on that account provided that such contract or arrangement shall have been approved or ratified by a majority of the Board of Directors without counting in such majority the directors so interested, although such director may be counted towards a quorum.

ARTICLE X - MISCELLANEOUS

Section 1. Meeting Procedures. All meetings of the Board of Directors or any committee shall be governed by "Robert's Rules of Order" to the extent not inconsistent with these Bylaws or the Articles of incorporation.

Section 2. Amendment of Bylaws. These Bylaws may be amended by a two-thirds vote of the membership adopting a proposed amendment or restatement at a meeting duly called and held, providing the amendment is circulated to the entire membership not less than 30 days prior to the meeting at which such amendment will be considered and voted upon.

These revised Bylaws were adopted by the membership on the 13th day of July 1996.

LAKE SHORE ESTATES HOMEOWNERS ASSOCIATION

By Mary J. Bush
Secretary