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| <b>After recording, return to:</b><br><br>Skies the Limit, Inc.<br>c/o Dan Zakour<br>541 Diego Court<br>Central Point, OR 97502 |  |
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**BYLAWS****OF****REGENCY 3, 4 & 5 SUBDIVISION HOMEOWNERS ASSOCIATION, INC.****ARTICLE 1****NAME AND PRINCIPAL OFFICE**

**1.1 General Powers.** The Regency 3, 4 & 5 Subdivision Homeowners Association, ("Association") is a homeowners association formed pursuant to the provisions of the Oregon Planned Community Act, ORS 94.550 - 94.785. The Association shall have all powers and duties as set forth in the Act and shall at all times comply with the provisions of said Act. The affairs of the Association shall be managed by its Board of Directors (the "Board").

**1.2 Principal Office.** The principal office of the Association shall be at 541 Diego Court, Central Point, Oregon 97502, or at such location within the State of Oregon as may be designated from time to time by resolution of the Board of Directors.

**ARTICLE 2****MEMBERSHIP**

**2.1. Qualification.** Every person or entity who is the Owner of a Lot which is subject by covenants of record to assessment by the Association shall be a Member of the Association and shall be entitled to one vote for each Lot owned. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from the ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

**2.2     Voting.** All membership and voting procedures are governed by the Articles and Bylaws of the Association. The Association shall have one class of voting membership. Members are entitled to one vote for each Lot in which they hold the interest required for membership (hereinafter "Membership Unit"). When more than one person holds such an interest in any Lot, all such persons are Members. When more than one Member exists for a given Lot, the vote for such Lot may be exercised as those Members themselves agree. If they are unable to agree, the vote for the Unit shall be cast as provided in the Declaration. Members may vote by proxy.

**2.3     Transfer.** The membership held by any Member by virtue of his or her ownership of a Lot shall not be transferred, pledged, or alienated in any way, except upon the transfer of title to such Lot, and then only to the transferee of title thereto.

**2.4     Suspension of Membership.** During any period in which a Member shall be in default in the payment of any assessment levied by the Association pursuant to the Declaration, the voting rights of such Member shall be suspended. However, the Board shall give any such Member at least fifteen (15) days' notice prior to such suspension, during which time the Member shall be entitled to a hearing before the Board if he or she so requests.

### **ARTICLE 3 BOARD OF DIRECTORS**

All meetings of the Board of Directors shall be open to lot owners in the Regency 3, 4 & 5 Subdivision.

**3.1     Number.** The number of Directors may vary between a minimum of three and a maximum of seven, the exact number of which may be fixed from time to time by resolution of the Board. Initially, the Board shall consist of three individuals. Each Director shall serve for a period of a one (1) year term. The Board shall have all of the powers set forth in the Nonprofit Corporation Act, ORS Section 94.630, the Articles, these Bylaws, the CC&Rs, and the Declaration, except where the same are reserved to the members by any of the above.

**3.2     Vacancies.** Vacancies on the Board and newly created Board positions shall be filled by the affirmative vote of a majority of the remaining Directors even though a less than a quorum of the Board may exist.

**3.3     Quorum; Majority Vote.** A majority of the Directors then in office shall constitute a quorum for the transaction of business. The act of the majority of the Directors present at the meeting at which a quorum is present shall be the act of the Board.

**3.4     Removal of Directors.** A Director may be removed with or without cause by act of the Board at a meeting expressly called for that purpose. Such vote must be by a majority.

**3.5     Meetings.** All meetings of the Board shall be open to any owner of a lot in Glenwood-Regency.

**3.5.a. Annual Meeting.** The annual meeting of the Board shall be held each year on the second Tuesday of May. Notice of such meeting shall be provided to each Director personally or by mail not less than seven (7), nor more than thirty (30) days prior to the meeting. Such Notice of the meeting shall also be posted in a public place in the Homeowners Association.

**3.5.b. Regular Meetings/Notices.** A regular meeting of the Board shall be held on the second Tuesday of each month at 7:00 p.m. at the principal office. Such meeting shall be held with or without any Notice other than these Bylaws. The Board may provide by resolution the time and place for holding of additional regular meetings. Notice for additional regular meetings shall be done in conformance with ORB 94.640.

**3.5.c. Special/Emergency Meetings.** Special or Emergency meetings of the Board may be called by the chairman of the Board or by a majority of the Directors then in office. Notice of special meetings shall be provided to each Director personally or by mail not less than three (3) days prior to the meeting; provided that, in the case of any Special meeting to be held by conference telephone or similar communications equipment. Notice of such meeting may be given five (5) days, personally or by telephone, to each Director not less than twenty-four (24) hours before the time at which the meeting is to be held. Except as otherwise specifically provided in these Bylaws, neither the business to be transacted, nor the purpose of, any regular or Special meeting of the Board of Directors need be specified in the Notice of the meeting.

**3.5.d. Consent in Lieu of Meeting.** Any action required by law to be taken at a meeting of the Board, or any action that may be taken at a Board meeting, may be taken without a meeting if consent in writing, setting forth the action to be taken, is signed by all Directors of the Association.

**3.5.e. Telephonic Meetings.** Only Special and Emergency Meetings of the Board may be held by means of conference, telephonic or similar communications equipment, or means by which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

**3.6 Compensation.** Compensation, if any, of the members of the Board shall be fixed by the Board and approved by majority vote.

**3.7 Initial Board of Directors.** The initial Board of Directors shall be appointed by Declarant until such time as the Turnover Meeting is called pursuant to Section 6.4. The Declarant shall also have the right to remove members of the Board of Directors until the Turnover Meeting is called. Thereafter, the Board shall be elected as provided in this Article 2. The initial Board of Directors shall consist of three (3) Directors.

## **ARTICLE 4 COMMITTEES**

### **4.1. Appointment and Authority.**

**4.1.a. Standing Committees.** The Board may, by resolution, appoint one or more committees, each of which shall consist of two or more Directors or homeowners. The Board shall, by resolution, define the extent of the authority of such committees. These committees, subject to the limitations of the Board's resolution and ORS chapter 94, shall have and exercise the authority of the Board in the management of the Association for which it is appointed.

**4.1.b. Ad Hoc Committees.** The Board or the President may appoint other committees consisting of homeowners, who do not have the authority of the Board in the management of the Association. Members of these committees shall act on behalf of the Board or the President.

**4.1.c. Budget Committee.** The Board may designate two (2) or more Directors to a Budget Committee to prepare a budget in accordance with ORB 94.645. Such Budget Committee shall also be responsible for the upkeep, maintenance, repair and replacement of the common property of the detention pond. Such committee shall also be responsible for collecting the assessments from the owners provided for in Article 13. The Budget Committee shall also be responsible to review and approve all payment vouchers. Each assessment shall be paid on a monthly basis and in accordance with the budget developed. Such committee shall also be required to prepare and distribute the annual financial statement required under ORS 94.670. In preparing the annual financial statement the Budget Committee and the Treasurer shall work with the certified public accountant designated for the Association.

**4.2 Transitional Advisory Committee.** A Transitional Advisory committee shall be formed pursuant to ORS 94.604 not later than the 60th day after the declarant has conveyed the lots representing 50 percent (50%) of the votes in Regency 3, 4 & 5 Subdivision. A meeting of lot owners shall be called by the declarant, in accordance with these Bylaws, for the purpose of selecting a Transitional Advisory Committee. The committee shall conform with the provisions of ORS 94.406. This requirement for a Transitional Advisory Committee shall not apply once the turnover meeting called under ORS 94.609 has been held.

## **ARTICLE 5 OFFICERS**

**5.1 In General.** The officers of the Association shall be a President, a Secretary and a Treasurer and such other Vice-Presidents or officers as the Board may appoint from time to time. The office of the President and Secretary may be held by the same person concurrently.

**5.2 Election and term.** The Board, at its annual meeting, shall elect the officers to serve a one-year term commencing the date of such annual meeting. Officers may serve successive terms without limit.

**5.3 Vacancies.** A vacancy in any office may be filled by act of the Board for the unexpired portion of the term.

**5.4 President.** The President shall be the executive officer of the Association, shall have responsibility for the general management of the Association, and shall see that all orders and resolutions of the Board are carried into effect. The President shall from time to time report to the Board all matters within the President's knowledge affecting the Association that should be brought to the attention of the Board.

**5.5 Vice President.** The Vice President, if any, shall perform all such duties and services as shall be assigned to or required of such person from time to time, by the Board or the President. Should the President be unable to act, the Vice-President shall act in the President's stead with all the President's powers and perform all of the President's duties during the President's absence or disability.

**5.6 Secretary.** The Secretary shall have overall responsibility for all corporate record keeping. The Secretary shall perform, or cause to be performed, the following duties: (a) official recording of the minutes of all Board meetings and actions; (b) providing all notices required by these Bylaws or by law; (c) maintain insurance coverage for the Association in accordance with ORS 94.675 and 94.685; and (d) undertaking any other duties as may be prescribed by the Board.

**5.7 Treasurer.** The Treasurer shall have overall responsibility for all corporate funds. The Treasurer shall perform, or cause to be performed, the following duties: (a) taking custody of and responsibility for all funds of the Association; (b) depositing all monies and other valuable affects in the name and to the credit of the Association in such depositories as may be designated by the Board; (c) disbursing funds when proper to do so; (d) keeping all books of account relating to the Association and rendering statements of the Association's financial condition whenever required to do so by the Board or the President; (e) collect and account for all assessments upon the homeowners pursuant to the protective covenants and restrictions of Glenwood-Regency; (f) prepare and distribute the annual financial statement required by ORS 94.670 and (g) undertaking any other duties as may be prescribed by the Board.

**5.8 Compensation.** The compensation, if any, for any agents and employees of the Association shall be fixed by the Board.

**5.9 Removal.** Any of the agents, employees and officers of the Association may be removed by a majority vote of the Board, to be replaced by such agent, employee or officer to serve the remaining one-year term.

## **ARTICLE 6 MEMBERS MEETINGS**

**6.1 Initial and Annual Meeting.** The initial meeting of owners shall be held upon the sale of five percent of the initial lots in Phase three, four and five has been sold. The method of

calling such meeting shall be in accordance with Article 5.6 below. The annual meeting of the members shall be held on the second Tuesday in the month of May in each year, beginning with the year 2006, at the hour of 7:00 p.m., for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. The notice to members of the initial meeting shall be these Bylaws. If the date fixed for the annual meeting shall be a legal holiday in the State of Oregon, such meeting shall be held on the next succeeding business day. Failure to hold the annual meeting at the designated time shall not work a forfeiture dissolution of the Association.

**6.2 Failure to Hold Annual Meeting.** If the annual meeting is not held at the designated time, the President or the Board may call the annual meeting at a time fixed by them not more than sixty (60) days after such designated time by proper notice designating the meeting as the annual meeting. If the annual meeting is not held at the designated time or during the sixty (60) day period thereafter, the annual meeting may be called by the holders of not less than one-tenth of all the shares entitled to vote at the meeting. In such event, notice shall be given not more than fifteen (15) days after the expiration of such sixty (60) day period. Such notice shall fix the time of the meeting at the earliest date permissible under the applicable notice requirements.

**6.3 Special Meetings.** Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by the Directors, may be called by the President or by the Board, and shall be called by the President at the request of the holders of not less than one-tenth of all the outstanding shares of the Association entitled to vote at the meeting.

**6.4 Turnover Meeting.** Pursuant to ORS 94.635(3) a turnover meeting shall be held, not later than one hundred and twenty (120) days after lots representing 75 percent (75%) of the votes have been conveyed by the Declarant. Notice for this meeting shall be given in conformance with these Bylaws for a special meeting of the members. Any lot owner may call the turnover meeting under ORS 94.609. The purpose of the turnover meeting shall be to conform to the provisions of ORS 94.609.

**6.5 Place of Meeting.** The Board may designate any place, either within or without the State of Oregon, as the place of meeting for any annual meeting or for any special meetings called by the Board. A waiver of notice signed by all members entitled to vote at a meeting may designate any place, either within or without the State of Oregon, as the place for holding of such meeting. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be at the principal offices of the Association in the State of Oregon.

**6.6 Notice of Meeting.** Written notice 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 not fewer than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, Secretary, or the persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member's address as it appears on the stock transfer books of the Association, with first class postage paid.

**6.7 Quorum.** A majority of the outstanding membership units of the Association entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members. If less than a majority of the outstanding membership units are represented at a meeting, a majority of the membership units so represented may adjourn the meeting from time to time without further notice until a quorum is present or represented. At such adjourned meeting during which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave fewer than a quorum.

**6.8 Proxies.** At all meetings of members, a member may vote in person, by proxy executed in writing by the member, or by the member's duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the Association before, or at the time of, the meeting. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy.

**6.9 Informal Action by Members.** Any action required to be taken at a meeting of the members, or any other action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all members entitled to vote with respect to the subject matter of the action.

## **ARTICLE 7 CONTRACTS, LOANS, CHECKS, DRAFTS AND DEPOSITS**

**7.1 Contracts.** The Board may authorize any officer, agent, or employee to execute and deliver any instrument, in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

**7.2 Loans.** No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

**7.3 Checks, Drafts, Etc.** All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer, agent, or employee of the Association and in such manner as shall from time to time be determined by resolution of the Board.

**7.4 Deposits.** All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may select.

## **ARTICLE 8 FISCAL YEAR**

The fiscal year of the Association shall be on the calendar year, commencing January 1 and ending December 31 of each year.

## **ARTICLE 9 WAIVER OF NOTICE**

Whenever any notice is required to be given to any member or Director of the Association under the provisions of these Bylaws, under the provisions of the Articles of Incorporation, or under the provisions of the Oregon Business Non-Profit Corporation Act, a waiver of the notice in writing, signed by the person or persons entitled to the notice, whether before or after the time stated in the notice, shall be deemed equivalent to the giving of the notice.

## **ARTICLE 10 INSURANCE**

**10.1 Insurance To Be Obtained By Association.** The Board shall obtain and maintain at all times insurance on behalf of the Association, as set forth herein, including insurance against fire, vandalism and malicious mischief with endorsement for extended coverage, or other perils, for the full insurable replacement value of the common property. All such insurance coverage shall be reviewed by the Board at least once every two years. The Board shall obtain a public liability policy covering all common property and all damage or injury caused by the negligence of the Association in amounts recommended by the Association's insurance agent.

**10.2 Premiums.** Premiums upon insurance policies purchased by the Association shall be assessed by the Association against the Owners as part of the common expenses.

**10.3 Distribution of Proceeds.** Proceeds of insurance policies received by the Board shall be distributed in the following manner.

**10.3.a Reconstruction or Repair.** If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided.

**10.3.b Failure to Reconstruct or Repair.** If it is determined by a majority vote of the Lots of the Association that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds may be used by the Association for such Common Area improvements as it shall deem appropriate.

**10.4 Insurance To Be Obtained By Owner.** Each Owner of a Lot shall insure his or her dwelling unit at its full insurable replacement value against fire, vandalism and malicious mischief with an endorsement for extended coverage. Each Owner shall obtain from his or her insurance carrier a waiver of its subrogation rights to any claims against the Declarant, the Board, the Association, the Managing Agent, the Owners and their respective agents, employees, tenants, guests and, in the case of Owner, the members of their households.



## **ARTICLE 11 INDEMNIFICATION; INTEREST PARTIES**

**11.1. Indemnification.** The Association shall indemnify to the fullest extent permitted by the Oregon Business Non-Profit Corporation Act any person who has been made, or is threatened to be made, a party to an action, suit, or proceeding, whether civil, criminal, administrative, investigative, or otherwise by reason of the fact that the person is or was a Director or officer of the Association, or a fiduciary of the Association. Such individuals may also be those who serve or served at the request of the Association as a Director or as an officer or as a fiduciary of the Association, partnership, joint venture, trust, or other enterprise. The right to and the amount of indemnification shall be determined in accordance with the provisions of the Oregon Business Non-Profit Corporation Act in affect at the time of the determination.

**11.2 Interested Parties.** A Director of the Association shall not be disqualified by the Director's office from contracting with the Association as vendor, purchaser, or otherwise; nor shall any contract or arrangement entered into by or on behalf of the Association in which any Director is in any way interested be avoided on that account, provided that such contract or arrangement shall have been approved or ratified by a majority of the Board without counting in such majority the Director so interested, although such Director may be counted toward a quorum, or shall have been approved or ratified by the affirmative action of the holders of a majority of the outstanding shares of the Association, and the interest shall have been disclosed or known to the approving or ratifying Directors or members.

## **ARTICLE 12 MAINTENANCE, UPKEEP AND REPAIR OF COMMON PROPERTY**

The Association has been formed for the sole purpose of operation, upkeep, maintenance and repair of the drainage facilities within the easements on Lot 41 of Tract 1035 - Regency 3, 4 & 5 Subdivision - Phase 3, 4 & 5, said facilities consisting of one 6" and two 24" storm drain pipes together with two 48" storm drain manhole structures and a detention pond. The Association shall be responsible for the upkeep, maintenance and repair of said facilities. Payment for such operation, upkeep, maintenance and repair shall be from the assessments collected from lot owners in conformance with the Covenants, Conditions and Restriction of Regency 3, 4 & 5, Subdivision and this Article 13 below.- All maintenance programs shall be approved by the Board. The Board of Directors shall employ personnel and hire independent contractors to effectuate the program of maintenance, upkeep and repair of the common area.

## **ARTICLE 13 COLLECTION OF ASSESSMENT AND FINANCIAL REPORTING**

**13.1 Collection of Assessments.** All assessments described in the Declaration are due by the tenth day following the date notification of such assessment is made. An assessment note paid when due is delinquent. Any assessment required by Board action as per the Declaration not paid within thirty (30) days after being due is delinquent. The delinquent assessment bears interest at the rate of 12% per annum. The Board of Directors at their discretion may retain the services of an attorney or employ a collection agency to collect all assessments which are past

due. The Board of Directors may extend the time for which to sue for the collection of an assessment if the Board in its business judgment deems the same prudent and sets forth the reasons for its judgment in the minutes of a meeting of the Board of Directors.

**13.2 Preparation and Distribution of Annual Financial Statement and Budget.**

The Board of Directors shall implement and shall otherwise cause the Association to keep financial records sufficiently detailed for proper accounting purposes and generally accepted accounting standards consistently applied as provided in section 4.1.c. Within ninety (90) days after the end of the fiscal years, the Board of Directors shall distribute to each owner and, upon written request of any mortgagor of a Lot, a copy of the annual financial statement consisting of a balance sheet and income and expense statement for the preceding year, and a copy of the current year budget.

**ARTICLE 14  
SEVERABILITY**

A determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal, or otherwise ineffective shall not affect or invalidate any other provision of these Bylaws.

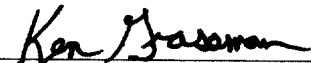
**ARTICLE 15  
AMENDMENTS TO BYLAWS**

These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by the Association members by a majority vote of the Members at any regular or special meeting. Furthermore, the Association may adopt administrative rules and regulations supplementing these Bylaws for the purpose of governing the details for the operation and use of the common property in accordance with the protective covenants, conditions and restrictions of Regency 3, 4 & 5 Subdivision.

IN WITNESS WHEREOF, we, the undersigned, being all of the Directors of REGENCY 3, 4 & 5 SUBDIVISION HOMEOWNERS ASSOCIATION, hereunto see our hands this 13 day of July, 2005.

REGENCY 3, 4 & 5 SUBDIVISION HOMEOWNERS  
ASSOCIATION, an Oregon Non-Profit Corporation

By:   
Dan Zakour, President

By:   
Ken Grassman, Secretary

STATE OF OREGON )  
 ) ss.  
County of Jackson )

On the 13<sup>th</sup> day of July, 2005, personally appeared the above-named Dan Zakour who being sworn stated that he is the President of REGENCY 3, 4 & 5 SUBDIVISION HOMEOWNERS ASSOCIATION, an Oregon non-profit corporation, and that he executed this instrument on behalf of said corporation by authority of its Board of Directors.

BEFORE ME:

Patricia K. Gohde  
Notary Public for Oregon  
My Commission Expires: 8/27/05

STATE OF OREGON )  
 ) ss.  
County of Jackson )

On the 13<sup>th</sup> day of July, 2005, personally appeared the above-named Ken Grassman, who being sworn stated that he is the Secretary of REGENCY 3, 4 & 5 SUBDIVISION HOMEOWNERS ASSOCIATION an Oregon non-profit corporation, and that he executed this instrument on behalf of said corporation by authority of its Board of Directors.

BEFORE ME:

Patricia K. Gohde  
Notary Public for Oregon  
My Commission Expires: 8/27/05

