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Klamath County, Oregon



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BYLAWS OF THE
HERR AKERS HOMEOWNERS ASSOCIATION

ARTICLE 1

Plan of Ownership

1.1 Name and Location. These are the Bylaws of the **HERR AKERS** Homeowners Association, an Oregon non-profit corporation, (hereinafter the Association). The Association is located in Klamath Falls, Klamath County, Oregon, and is subject to the Declaration of Covenants, Conditions and Restrictions recorded _____ in the records of Klamath County, Oregon, (the Declaration).

1.2 Purposes. These Bylaws serve as the means through which the members may take action with regard to administration, management, and operation of the Association and the common properties of which it has maintenance responsibilities.

1.3 Applicability of Bylaws. The Association, all members, and all persons, who are tenants or contract purchasers who reside in **HERR AKERS**, shall be subject to these Bylaws and to all rules and regulations which may be promulgated hereunder.

1.4 Composition of the Association. The Association shall be composed of all members, including the Association itself. The Association shall have two (2) classes of membership, *Class "A"* and *Class "B"*, as more fully set forth in the Declaration.

1.5 Definitions. The definitions contained in or adopted by the Declaration shall be applicable to these Bylaws.

ARTICLE II
Voting

2.1 Voting. Each member shall be allocated a voting right in the affairs of the Association according to the provisions of the Declaration.

2.2 Proxies. A vote may be cast in person or by proxy. A proxy given by a member to any person who represents such member at meetings of the Association shall be in writing and signed by such member and shall be filed with the secretary. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly slated in the proxy.

2.3 Joint Owners. Whenever any lot is owned by two or more persons jointly, according to the records of the Association, the vote of such lot may be exercised by anyone of the owners then present, in the absence of protest by a co-owner. In the event of such protest no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of such lot shall be disregarded completely in determining the proportion of votes given with respect to such matter.

2.4 Quorum of Lot Owners. Except where a larger percentage may be required by the Declaration, these Bylaws, or applicable law, the voting rights present in person or by proxy shall constitute a quorum at any meeting of the Association. A quorum is defined in ORS 94.655. The subsequent joinder of any owner, in the action taken at a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such person for the purpose of

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determining a quorum. When a quorum is once present to organize a meeting it cannot be broken by the subsequent withdrawal of an owner or owners. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjoin the meeting from time to time until a quorum is present.

2.5 Majority Vote. The vote of the holders of more than fifty percent (50%) of the voting rights present, in person, or by proxy, at a meeting at which a quorum is constituted shall be binding upon all owners for all purposes except where a higher percentage is required by law, by the Declaration, or by these Bylaws.

2.6 Mail Ballots. The board may provide for mail ballots as from time to time are necessary for the administration of the project.

ARTICLE III Meetings of the Association

3.1 Place of Meeting. The Association shall hold meetings at such suitable place convenient to the members as may be designated by the Board of Directors from time to time.

3.2 Annual Meeting. The annual meetings of the Association shall be held on a date and hour set by the Board of Directors by Resolution. The annual meetings shall be for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

3.3 Special Meetings. Special meetings of the Association may be called by the president or secretary or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request from owners representing at least twenty percent (20%) of the voting rights stating the purpose of the meeting. Business transacted at a special meeting shall be confined to the purposes slated in the notice.

3.4 Notice of Meetings. Notice of all meetings of the Association stating the time and place and the objects for which the meeting is being called, shall be given by the president or secretary. All notices shall be in writing and mailed to each member at his address as it appears on the books of the Association not less than thirty (30) days nor more than fifty (50) days prior to the date of the meeting. Proof of such mailing may be given by an affidavit of the person giving the notice. Proof of such mailing may be given by an affidavit of the person giving the notice. When a meeting is adjourned for less than thirty (30) days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

3.5 Waiver of Notice. Waiver of notice of meeting of the members shall be deemed equivalent of proper notice. Any member may, in writing, waive notice of any meeting of members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date and place thereof, unless such member specially objects to lack of proper notice of the time the meeting is called to order.

3.6 Order of Business. The order of business at annual meetings of the Association will be within the discretion of the officers of the Association and will normally include:

- a. Calling to order and certifying proxies;
 - b. Proof of notice of meeting or waiver of notice;
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- c. Reading of minutes of preceding meeting;
- d. Reports of officers;
- e. Reports of committees, if any;
- f. Election of directors;
- g. Unfinished business;
- h. New business; and
- i. Adjournment.

ARTICLE IV

Board of Directors

4.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of 3 persons. The initial Board of Directors shall be made up of designees of Declarant until such time as the Class B Membership shall be terminated pursuant to the Declaration. At such time when 50% of the lots have sold (and the transactions having closed), the term of office of one of the Directors appointed by Declarant shall terminate and one director shall be elected, voted by a majority of lot owners. All of the Directors must be lot owners.

4.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the owners.

4.3 Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors shall have authority to carry out and be responsible for the following matters:

a. Care, upkeep, and supervision of the Subdivision and the Common Area; and assigning, supervising assignment or approving any assignment of the use of any common element, as may be required by the Declaration.

b. Designation and collection of the annual and other assessments from the owners in accordance with these Bylaws and the Declaration, and to select a depository for such funds.

c. Payment of all common expenses of the Association, and institution and maintenance of a voucher system for payment, which shall require sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of the Association's funds.

d. To designate, hire, and dismiss the personnel necessary for the maintenance, operation, repair, and replacement within the Subdivision.

e. Subject to the limitations of the Declaration, leasing, subleasing, or hypothecation in any manner of the general common elements which have or may have any income producing potential.

f. Promulgation and enforcement of rules of conduct for lot owners, employees, and

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invitees which shall be consistent with the restrictions set out in the Declaration.

g. Appointment of a Architectural Review Committee of not less than three (3) members, a majority of whom shall be members of the Association. The duties of this committee shall be as directed by the board and as set forth in the Declaration.

4.4 Management Agent. The Board of Directors may employ a management agent, to be compensated in the amount established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in Section 4.3 of this Article.

4.5 Election and Term of Office. Directors shall be elected to serve a term of two years. Terms shall be staggered evenly. Directors shall hold office until their respective successors have been elected by the lot owners. Election shall be by plurality.

4.6 Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of director by a vote of the Association, shall be filled by the vote of a majority of the remaining directors even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected upon expiration of the term for which such person was elected by the other directors to serve.

4.7 Removal of Directors. At any legal annual or special meeting, anyone or more of the directors may be removed, with or without cause, by a majority of the owners and a successor may be then and there elected to fill the vacancy thus created. Any director whose removal has been proposed by the owners may be given an opportunity to be heard at the meeting.

4.8 Resignation. A director may resign at any time by giving written notice of the board, the president or the secretary of the Association. Unless otherwise specified in the notice, the resignation shall take effect on the day and at the time the notice is received by the board of such officer. The acceptance of the resignation shall not be necessary to make it effective.

4.9 Organizational Meeting. The first meeting of the newly elected Board of Directors shall be held within thirty (30) 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 to legally hold such meeting providing a majority of the newly elected directors are present.

4.10 Regular and Special Meetings. 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. Special meetings of the Board of Directors may be called by the president and must be called by the secretary at the written request of at least two (2) directors. Notice of any special meetings shall be given to each director, personally or by mail, telephone, or telegraph at least seven (7) days prior to the day named for such meeting and shall state the time, place, and purpose of such meeting. All meetings of the Board of Directors shall be open to owners. Such meetings may be conducted by telephonic communication, and a telephonic meeting shall be reported in the minutes of the next regular meeting of the Board of Directors.

4.11 Board of Directors Quorum. At all meetings of the Board of Directors two (2) of the existing directors shall constitute a quorum for the transaction of business and the acts of the majority of the directors present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

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4.12 Compensation of Directors. No director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by a vote of the lot owners.

4.13 Liability and Indemnification of Directors, Officers, Manager, or Managing Agent. The directors and officers shall not be liable for any mistake of judgment, negligence, or otherwise except for their own willful misconduct or bad faith. The Association shall indemnify, defend, and hold harmless each director and officer of the Association to the maximum extent permitted by law.

4.14 Fidelity Bond. The Board of Directors shall require any person or entity, including, but not limited to, employees of any professional manager who handles or is responsible for Association funds, to furnish such fidelity bond as the Board of Directors deem adequate. The premiums on such bonds covering Association directors, officers and employees shall be paid by the Association.

4.15 Insurance. The Board of Directors shall obtain the insurance required in Article 8 of these Bylaws. In addition the Board of Directors, in its discretion, may obtain such other insurance as it deems necessary to protect the interests of the Association or lot owners. The Board of Directors shall conduct an annual insurance review which, if appropriate, shall include an appraisal of all improvements contained in the Planner Unit Development.

4.16 Committees. By resolution adopted by a majority of the Directors, committees shall be established to perform such tasks and to serve for such periods as may be designated by the Board of Directors. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE 5 Officers

5.1 Designation. The principal officers of the Association shall be a president, vice president, and a secretary-treasurer, all of whom shall be appointed by the directors. The directors may appoint an assistant treasurer, an assistant secretary and any such other officers as in their judgment may be necessary.

5.2 Appointment of Officers. The officers of the Association may be appointed by the Board of Directors at the organizational meeting of each new board or any Board of Directors' meeting thereafter and shall hold office at the pleasure of the Board of Directors.

5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors any officer may be removed, either with or without cause, and his successor elected at any regular or special meeting of the Board of Directors.

5.4 President. The president shall be the chief executive officer of the Association. He/she shall reside at all meetings of the Association and of the Board of Directors. He/she 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/she in his /her discretion decides is appropriate, to assist in the conduct of the affairs of the Association. The president shall be entitled to vote at Board of Directors meetings only in case of a tie vote at any such meeting and the president's vote shall be final.

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5.5 Vice President. In the absence of the President or in the event of his/her death, inability or refusal to act, the Vice President, if any, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all of the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

5.6 Secretary-Treasurer. The Secretary-Treasurer shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he/she shall have charge of such books and papers as the Board of Directors may direct; and he/she shall, in general, perform all the duties incident to the office of Secretary-Treasurer. The Secretary-Treasurer shall also have responsibility for the Association's funds and securities not otherwise held by the managing agent, and shall be responsible for keeping the full and accurate accounts of all receipts and disbursements in books belonging to the Association. He/she shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may, from time to time, be designated by the Board of Directors.

5.7 Directors as Officers. Any director may be an officer of the Association.

ARTICLE 6 Budget Expenses and Assessments

6.1 Budget. The Board of Directors shall, from time to time and at least annually, prepare a budget for the Association; estimate the common expenses expected to be incurred; assess the near-term adequacy of the operating reserves; and assess the common expenses as an annual dues assessment to the members in the proportion set forth in the Declaration.

6.2 Determination of Common Expenses. Common expense shall include:

- a. Expenses of administration;
- b. Expenses of maintenance, repair or replacement of common property;
- c. Cost of insurance or bonds obtained in accordance with these Bylaws;
- d. A general operating reserve;
- e. Reserve for replacements and deferred maintenance as set forth in Section 6.4;
- f. Any deficit for uncommon expenses for any prior period;
- g. Utilities for the common property and other utilities with common meter or commonly billed, such as trash collection, water, and sewer, if any; and
- h. Any other items properly chargeable as an expense of the Association.

6.3 Annual Assessment of Members. All members shall be obliged to pay common expenses assessed to them as annual dues by the Board of Directors on behalf of the Association pursuant to these Bylaws and the Declaration. Assessments may not be waived due to limited or non-use of common properties. The Board of Directors, on behalf of the Association, shall assess the common expenses of an annual dues assessment against the members and shall take prompt action to collect from a member any dues assessment which remains unpaid for more than thirty (30) days from the due date for its payment.

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6.4 Reserve. A portion of the common expense collected from each lot owner shall be placed in an account separate from the general operation account of the Association. This separate account is to be used as a reserve account for major maintenance and replacement of those common properties all or part of which would normally require replacement in more than three (3) or less than thirty (30) years from the time the budget is determined by the Board of Directors.

The reserve account shall be used for the purposes outlined in this section; provided, however, that the Board of Directors may borrow funds from the reserve account to meet high seasonal or extraordinary demands on the regular operation funds or to meet other temporary expenses which shall be repaid into such reserve account from regular or special assessments or maintenance fees. The reserve account may be invested by the Board of Directors subject to normal prudent investment standards.

Assessments paid into the reserve account shall be then property of the Association and are not refundable to sellers of lots.

6.5 Special Assessments - Capital Improvements. In addition to the annual/monthly assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the vote of Members (subject to Article 2, Section 2) who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

6.6 Nonpayment of Assessments. If any assessment is not paid when due, then such assessment shall become delinquent and shall, together with such interest thereon and costs of collection thereof as hereinafter provided, become a continuing lien on the Lot which shall bind such Lot in the hands of the then Owner, his heirs, devisees, personal representatives and assigns.

If the Assessment is not paid within thirty (30) days after the delinquent date, the assessment shall bear interest from the date of delinquency at the rate of 9% per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event judgment is obtained, such judgment shall include interest on the assessment as provided above and reasonable attorney fees to be fixed by the court at trial or on appeal, together with the costs of the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of a Lot.

6.7 Foreclosure of Liens for Unpaid Assessments. The Association shall have the right to foreclose a lien on a lot because of unpaid assessments in the manner provided by Oregon law for foreclosure of liens. The Association, acting through the Board of Directors, shall have the power to purchase such lot at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to convey, or otherwise deal with the lot. A suit or action to recover a money judgment for unpaid common expenses may be maintained without foreclosing the lien securing the same.

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ARTICLE 7
Maintenance and Use of the Common Property

7.1 Maintenance and Repair. Except as otherwise provided herein for damage or destruction caused by casualty:

a. Lots and Improvements. All maintenance and/or repairs to any lot and improvement thereto shall be made by the owner of such lot; who shall keep the same in good order, condition, and repair; and shall do all redecorating, painting, and staining which at any time may be necessary to maintain the good appearance and condition of his lot and improvements.

b. Common Property. All maintenance, repairs, and replacements to the common property and to any City of Klamath Falls or Klamath County right of ways within the subdivision shall be made by the Association and shall be charged to all of the members as common expense. Any damage caused by a member to the common property shall be charged to such member as an additional assessment against such member.

7.2 Association Rules and Regulations. In addition to the provisions of the Declaration of Covenants, Conditions and Restrictions and these Bylaws, the Board of Directors, from time to time, may adopt, amend, modify, or revoke rules and regulations for the operation and use of the common property as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Subdivision. Such action shall be effective unless, by a vote of a majority of the votes present in person or by proxy at any meeting, such action shall be rejected or modified by the owners. A copy of the rules and regulations, upon adoption and a copy of each amendment, modification, or revocation thereof, shall be delivered by the secretary promptly to each member and shall be binding upon all members and occupants of all lots.

7.3 Abatement and Enjoining of Violations. The violation of any rule or regulation adopted pursuant to these Bylaws or the breach of any Bylaw contained herein or of any provision of the Declaration of Covenants, Conditions and Restrictions shall give the Board of Directors, acting on behalf of the Association, and its agents, contractors and employees, the right in addition to any other rights set forth in these Bylaws:

a. To enter upon the lot in which or as to which such violation exists and to summarily abate and remove, at the expense of the responsible owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the persons so entering shall not thereby be deemed guilty of any manner of trespass; or

b. To enjoin, abate, or remedy such thing or condition by appropriate legal proceedings;
or

c. To levy reasonable fines or penalty assessments after giving notice, an opportunity to be heard, and an opportunity to abate or remedy such breach.

Any expense, including but not limited to attorney's fees, incurred by the Association in remedying the default; any damage incurred by the Association; or any fines or penalty assessments so levied shall be assessed against the account of the responsible member. Any payment made to the Association by or on behalf of a member on whose account there remains an unpaid fine or penalty assessment balance shall be credited first for the payment of that fine/penalty assessment and then for the payment of other fees and assessments (e.g. annual dues assessments).

In addition, any aggrieved member may bring an action to recover damages or to enjoin,

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abate, or remedy such thing or condition by appropriate legal proceedings against the offending member.

ARTICLE 8 Insurance

8.1 Insurance. For the benefit of the Association and the members, the Board of Directors shall obtain and maintain at all times and shall pay for out of common expense funds the following insurance:

a. Property insurance covering loss or damage from occurrences including, but not limited to, fire, vandalism, and malicious mischief with extended coverage endorsements; and such other coverage such as flooding which the association may deem desirable, for not less than the full insurable replacement value of the common property. Such policy or policies shall name the Association as the insured;

b. A policy or policies insuring the Association, the Board of Directors, owners, and managing agent against liability to the public or to the owners of lots and of common property and their invitees or tenants incident to the ownership or use of the property. There may be excluded from such policy or policies coverage of a lot owner (other than as a member of the Association or the Board of Directors) for liability arising out of acts or omission of such lot owner and liability incident to the ownership and/or use of the part of the property as to which such lot owner has the exclusive use or occupancy. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) on a combined single limit basis. Such policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured; and

c. Workers' compensation insurance to the extent necessary to comply with any applicable laws.

Each lot owner shall be responsible for obtaining, at his own expense, insurance covering his property not insured under paragraph (a) above and against his liability not covered under paragraph (b) above.

8.2 Policies. Insurance obtained by the Association shall be governed by the following provisions:

a. All policies shall be written with the State of Oregon or a company licensed to do business in the State of Oregon.

b. All losses under policies hereafter in force regarding the property shall be settled exclusively with the Board of Directors or its authorized representative. Proceeds of the policies shall be paid to the Association as trustee for the lot owners, or upon demand of any mortgage, to an insurance trustee acceptable to the Association and mortgagees or lots.

ARTICLE 9 Condemnation

The Board of Directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain; and to sue or defend in any litigation, involving such bodies or persons with respect to the common property of the

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Subdivision, and shall assist any lot owner whose lot or a part thereof is the subject of any condemnation or eminent domain proceeding; provided, however, nothing in this or any document of agreement relating to the Subdivision shall be construed to give a lot owner or any party priority over the rights of the first mortgagees of any Subdivision lots in the case of a distribution to the lot owner of any such condemnation awards for losses or a taking of a lot and/or the common property.

ARTICLE 10

Amendments to the Bylaws

10.1 How Proposed. Amendments to the Bylaws shall be proposed by either a majority of the Board of Directors or by lot owners holding twenty percent (20%) of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon.

10.2 Adoption. Amendments may be approved by the Association at a duly constituted meeting or ballot meeting conducted for such purpose. A vote of a majority of the members present and voting shall be required for any amendment.

ARTICLE 11

Records and Audits

11.1 General Records. The Board of Directors and managing agent or manager, if any, shall keep detailed records of the actions of the Board of Directors and managing agent or manager; minutes of the meetings of the Board of Directors; and minutes of the meeting of the Association. The Board of Directors shall maintain a Book of Resolutions containing the rules, regulations, and policies adopted by the Association, Board of Directors, and the manager. The Board of Directors shall maintain a list of owners entitled to vote at meetings of the Association and a list of all mortgagees.

11.2 Records of Receipts and Expenditures. The Board of Directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common property; itemizing the maintenance and repair expenses of the common property and other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the owners and mortgagees during normal business hours.

11.3 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each lot. Such account shall designate the name and address of the owners or owners, the amount of each assessment against the owners, the dates and amounts in which the assessment comes due, the amounts paid upon the account, and the balance due on the assessment.

11.4 Payment of Vouchers. The Secretary-Treasurer shall pay all vouchers up to One Thousand Dollars (\$1,000.00) signed by the Secretary-Treasurer, the President, managing agent, manager, or other person authorized by the Board of Directors. Any voucher in excess of \$1,000.00 shall require the signature of the President.

11.5 Reports and Audits. An annual report of the receipts and expenditures of the Association and assets and liabilities shall be rendered by the Board of Directors to all owners attending the Annual Meeting. From time to time the Board of Directors, at the expense of the Association, may obtain an audit of the books and records pertaining to the Association and

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furnish copies thereof to the owners. Any time any owner may, at his own expense, cause an audit or inspection to be made of the books and records of the Association.

11.6 Notice of Sale or Mortgage. Immediately upon the sale or mortgage of any lot, the lot owner shall promptly inform the Secretary-Treasurer or manager of the name and address of said vendee mortgage.

11.7 Inspection of Records by Lot Owners. The Association shall maintain all of the documents delivered by the Declarant pursuant to the Declaration. These and all other records of the Association shall be reasonably available for examination by any owner. Upon written request, the Association shall make available for duplication any such records. The Association may charge a reasonable fee for furnishing copies of any documents, information or records described in this section.

ARTICLE 12 Miscellaneous

12.1 Notices. All notices of the Association or the Board of Directors shall be sent care of the managing agent, or, if there is no managing agent, to the principal office of the Association in care of the Secretary-Treasurer or to such other address as the Board of Directors may hereafter designate from time to time. All notices to any owner shall be sent to such address as may have been designated by him/her, from time to time, in writing to the Board of Directors, or if no address has been designated, then to the owner's lot.

12.2 Waiver. No restriction, condition, obligation, or provision contained in these Bylaws or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

12.3 Action Without A Meeting. Any action which the Declaration or these Bylaws require or permit the owners or directors to take at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the owners or directors entitled to a vote on the matter. The consent, which shall have the same effect as a unanimous vote of the owners or directors, shall be filed in the record of minutes of the Association.

12.4 Participation in Master Association. In the event the overall **HERR AKERS** Homeowners Association is organized as a Master Association, the President of the Association shall be authorized and empowered to represent the Association in all matters pertaining to the Master Association, and shall have all powers and authority to vote, sign documents and do any other acts in connection therewith.

12.5 Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

12.6 Conflicts. These Bylaws are intended to comply with the Oregon law and the Declaration. In case of any irreconcilable conflict such statute and document shall control over these Bylaws or any rules and regulations adopted hereunder.

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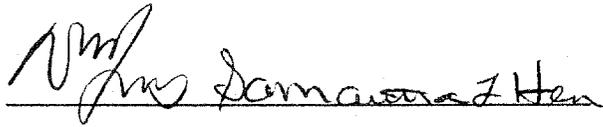
12.7 Liability Survives Conveyance. The sale, conveyance, or other disposition of a Lot shall not relieve or release any former Owner from any liability or obligation incurred, or in any way connected to the use or ownership of such Lot, nor shall such disposition impair any rights or remedies which the Association may have against such former Owner arising out of, or in any way connected with, such use or ownership and the covenants and obligations incident thereto.

THEREFORE, the undersigned, being all the Directors of **HERR AKERS** Homeowners Association, do certify:

That we are entitled to exercise all of the voting powers of said Association; and
That we hereby assent to the within and foregoing Bylaws, and adopt the same as the Bylaws of said Association.

IN WITNESS WHEREOF, we have subscribed our names this _____ day of August, 2007.

DIRECTORS OF **HERR AKERS**
HOMEOWNERS ASSOCIATION



Director of Herr Akers

State of Oregon)
) ss.
County of Klamath)

This was acknowledged before me on this 28 day of August, 2007 by the Directors of Herr Akers.



Notary Public for the State of Oregon
County of Klamath