

BYLAWS
OF
SAHHALI SHORES AT NESKOWIN
CONSOLIDATED OWNERS ASSOCIATION
(revised June 23, 2010)

ARTICLE I

Name and Location

1.1 The name of this corporation is Sahhali Shores at Neskowin Consolidated Owners Association, an Oregon nonprofit corporation, hereinafter referred to as the "Association." Meetings of members and directors may be held at such places as may be designated by the Board of Directors.

ARTICLE II

Definitions

2.1 "Association" shall mean and refer to Sahhali Shores at Neskowin Consolidated Owners Association, its successors and assigns.

2.2 "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions of Sahhali Shores at Neskowin Consolidated, and such additions thereto as may hereafter be brought within the power and jurisdiction of the Association in accordance with the provisions of the Declaration of Covenants, Conditions and Restrictions of Sahhali Shores at Neskowin Consolidated Owners Association.

2.3 "Common Areas" shall mean areas designated as non-numbered lots of Sahhali Shores at Neskowin Consolidated for the purpose of providing access by pedestrians, vehicle, or other appropriate means for the use of the owners, residents, and guests of the planned community, and to provide services such as water, electricity, and telephone and any additional lots or easements conveyed to and accepted by the Association to manage pursuant to the purposes and powers of these bylaws.

2.4 "Lot" shall mean each numbered lot shown on the Plat of Sahhali Shores at Neskowin Consolidated which shall constitute a private area for the exclusive use of the person or persons who holds legal title.

2.5 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any residential lot which is a part of the properties, including additional lots annexed in subsequent additions to the planned community, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

2.6 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions of Sahhali Shores at Neskowin Consolidated recorded in the office of the County Clerk, Tillamook County, Oregon, including any recorded amendments thereto.

2.7 "Proprietary Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

2.8 "The STEP effluent disposal systems" shall include, the dosing tank effluent pumps, pressure effluent lines, holding tanks, gravel filter tanks, splitter valves and the common drainfields, together with all other facilities necessary for operational systems.

ARTICLE III

Powers of the Association

3.1 Except as otherwise provided in its Declaration of Covenants, Conditions and Restrictions of Sahhali Shores at Neskowin Consolidated, or as otherwise provided by these bylaws, the Association shall have the power to:

(a) Adopt and amend bylaws, rules, and regulations for Sahhali Shores at Neskowin Consolidated Owners Association;

(b) Adopt and amend budgets for revenues, expenditures, and reserves, and collect assessments from owners for common expenses and reserve accounts established under ORS 94.595, the Declaration, and as provided in Article XI hereinafter; and in the event any common expense or any part of a common expense benefits fewer than all the lots, to assess costs to the lots benefiting there from exclusively;

(c) Hire and terminate managing agents and other employees, agents and independent contractors;

(d) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more owners on matters affecting the subdivision;

(e) Make contracts and incur liabilities;

(f) Regulate the use, maintenance, repair, replacement, and modification of common property;

(g) Cause additional improvements to be made as a part of the common property;

- (h) Acquire, hold, encumber, and convey in its own name any rights, title or interest to real or personal property, except that common property may be conveyed or subjected to a security interest only pursuant to ORS 94.665;
- (i) Grant easements, leases, licenses, and concessions through or over the common property and accept easements and leases subject to rights of others in and for a common right of use;
- (j) Impose and receive any payments, fees, or charges for the use, rental, or operation of the common property and services provided to owners;
- (k) Impose charges for late payment of assessments and, after giving notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, bylaws, and rules of the Association;
- (1) Impose reasonable charges for the preparation and recordation of amendments to the Declaration, as may be required by statute;
- (m) Provide for the indemnification of its officers and the Board of Directors and maintain liability insurance for directors and officers;
- (n) Assign its right to future income, including the right to receive common expense assessments;
- (o) Delegate its power to receive and expend assessments from lot owners using the STEP effluent disposal systems and public drain field, provided assessments for all users are equal and the managing entity is a non-profit corporation charged with management of the STEP effluent disposal systems with a membership consisting of the lot owners using the STEP effluent disposal systems in this subdivision and other subdivisions, partition plats, or planned communities and further provided the voting rights of members are allocated on the basis of the ownership of lots and the owners are represented on the board of directors of the managing entity proportionately to the number of lots served by the STEP systems; and,
- (p) Exercise any other powers necessary and proper for the administration and operation of the Association.

ARTICLE IV

Meeting of Members

- 4.1 Annual Meetings. The annual meeting of the members shall be held on a date determined by the Board of Directors.
- 4.2 Special Meetings. Special meetings of the members may be called at any time by the Board of Directors, or upon written request of the members who are entitled to vote, one-fourth (1/4) of all the votes of the Association.
- 4.3 Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by providing a copy of such notice to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, date, and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. The notice of the annual meeting shall be provided at least four (4) months prior to the annual meeting. The notice of a special meeting shall be provided at least fifteen (15) days prior to such meeting.
- 4.4 Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one—tenth (1/10) of the votes of the Association shall constitute a quorum for any action except as otherwise provided in the articles of incorporation, the Declaration, or these bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.
- 4.5 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. All proxies shall be revocable and shall automatically cease upon conveyance by the member of the residential lot.
- 4.6 Voting Rights of Members. The owner or owners of each residential lot shall be entitled to one vote.
- 4.7 Any action which may be taken at an annual or special meeting of the members may be taken without a meeting if the Association provides a written ballot to every member entitled to vote on the matter and otherwise complies with ORS 65.222.

ARTICLE V

Board of Directors

Selection and Term of Office

- 5.1 Number. The affairs of the Association shall be managed by a board of at least three (3) directors, who are members of the Association.

5.2 Term of Office. At each annual meeting at least one director shall be elected for a three (3) year term.

5.3 Removal. Any director may be removed from the Board, with or without cause, by a majority of all the votes of the Association. In the event of death, resignation, or removal of a director, a successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

5.4 Compensation. No director shall receive compensation for any service that may be rendered to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of duties.

5.5 Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of the majority of directors provided a reasonable attempt was made to solicit input from all directors. Any action so approved shall have the same effect as through taken at a meeting of the directors.

ARTICLE VI

Nomination and Election of Directors

6.1 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairperson, who shall be a member of the Board of Directors and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among members.

6.2 Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

ARTICLE VII

Meeting of Directors

7.1 Regular Meetings. Regular meetings of the Board of Directors shall be announced to the membership and held at such place and hour as may be determined by the Board.

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

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

ARTICLE VIII

Powers and Duties of the Board of Directors

8.1 Powers. The Board of Directors shall have power to:

- (a) Adopt and publish rules and regulations governing the use of the common area and facilities, and the personal conduct of the members and their guests thereon, and to establish fines and penalties for the violation thereof;
- (b) Suspend the voting rights of a member and the right of a member to use the common area and facilities during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for violation of any published rules and regulations;
- (c) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these bylaws, the articles of incorporation or the Declaration;
- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and,

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

8.2 Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by members possessing one-fourth (1/4) of the total votes of the Association;

- (b) Supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - (1) Fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period;
 - (2) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;
 - (3) Foreclose the lien against any property for which assessments are not paid within ninety (90) days after due date or to bring an action at law against the owner personally obligated to pay the same;
 - (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
 - (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
 - (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
 - (g) Provide for the maintenance, repair, and replacement of the common areas and the STEP effluent disposal systems as may from time to time be required, and to establish a specific maintenance schedule;
 - (h) Administer the reserve accounts in accordance with the provisions of the Declaration.

ARTICLE IX

Officers and Their Duties

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

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

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

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

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

9.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

9.7 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 9.4 of this article.

9.8 Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments and shall co—sign all checks and promissory notes.

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

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Association; serve notice of meetings of the Board and of the Association; keep appropriate current records showing the members of the Association, together with their addresses; and shall perform such other duties as required by the Board.

