

DESCHUTES COUNTY OFFICIAL RECORDS
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DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



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**PLANNED COMMUNITY SUBDIVISION
BYLAWS FOR
FAIRHAVEN VISTA
PROPERTY OWNERS ASSOCIATION**

FIRST AMERICAN TITLE
INSURANCE COMPANY OF OREGON
P.O. BOX 323
BEND, OR 97708

**ARTICLE I
NAME AND PURPOSE**

The name of this Association shall be FAIRHAVEN VISTA PROPERTY OWNERS ASSOCIATION, INC. The purpose of the Association is to arrange for maintenance of roads, sidewalks, utilities and landscape and grounds keeping areas and collect assessments for maintaining roads, sidewalks, utilities and landscape areas; enforcement of the Covenants, Conditions & Restrictions, and to protect property values and the mutual enjoyment of property use by all property owners, to facilitate endeavors of common interest to the members, and to preserve the existing natural environment.

**ARTICLE II
MEMBERSHIP**

All owners of property within the FAIRHAVEN VISTA development shall automatically become members of the Association. The vested ownership of each parcel of land shall automatically become members of the Association. Owners are entitled to one vote per parcel of land owned. Joint owners must advise the secretary, prior to any meeting or mail vote, as to who will exercise the vote for each parcel jointly held. Votes may be cast in person, by mail, or by proxy. Proxies must be in writing, signed by the voting member(s) and submitted to the Board before or at the time of voting.

**ARTICLE III
ORGANIZATION AND PROCEDURES**

SECTION 1 - Interim Board & Election Procedures for Board of Directors.

The management of the Association shall be vested in a Board of Directors of three (3) persons, each of whom is a member of the Association and an owner of a lot in the development. All three (3) Board members will be elected by the members of the Association. For continuity of experience, directors will serve staggered terms. At annual elections, candidates will be nominated to fill vacancies only, and will serve two (2) year terms if elected. Incumbents may run for reelection. Terms of newly elected Board members will begin fifteen (15) days after they are elected.

The officers of the Association shall consist of a President, Vice-President and Secretary/Treasurer and shall be selected by the Board, from among its members, at its first regular Board

meeting. All officers shall hold office at the discretion of the Board. All officers shall perform the duties usually pertaining to such offices and such other duties as may be delegated to them by these Bylaws or by the Board.

SECTION 2. Board Vacancies and Recalls.

If a vacancy occurs on the Board of Directors before the completion of a term of office, the Board shall appoint a member of the Association to serve the remainder of the vacating member's term. A directorship shall be deemed vacant in the case of any director who resigns their position on the Board, or in the case of any director who fails to attend three consecutive regular meetings, after having received customary notice of these meetings, unless the person has a reason for their absences that is acceptable to the Board. A director may be recalled by a majority vote of the membership at a special or annual meeting.

SECTION 3. Duties and Powers of the Board.

The Board shall administer all business carried on by the Association consistent with actions voted upon by the Association membership and by these Bylaws. The Board shall issue annually a full report of its work during the year and of the condition of the Association. The Board shall submit an Annual Financial Statement to the Association membership.

The Board shall also have the following powers:

1. To establish advisory committees, as deemed appropriate, of individuals to serve without compensation.
2. To provide information and other services for members or potential members as the Board deems advisable.
3. To provide for maintenance and preservation of the roads, sidewalks, utilities, landscape and grounds keeping areas in the development.
4. To enforce the recorded Conditions, Covenants and Restrictions ("CC&R's") on the property on behalf of all property owners, appoint a Plan Review Committee, and enforce the building and use restrictions set forth in the CC&R's.
5. To levy assessments to pay expenses incurred by the Association in maintaining the roads, sidewalks, utilities and landscape areas, enforcement of the CC&R's, and operation of the Association.

SECTION 4. Annual Meeting and Agenda.

An annual Association meeting shall be held during the month of June or at such other time

as the Board of Directors may choose. The meeting agenda shall include an annual report of the Board concerning Association activities, the Treasurer's Report, the election or reelection of Board members, and such other business as the Board or members of the Association may introduce.

SECTION 5. Special Association Meetings.

Special Association meetings may be called by the Secretary upon resolution of the Board or upon written petition of ten percent (10%) of the voting members. The petition shall be submitted to the Secretary and shall state the purpose of the special meeting being requested and is to specify a period of two (2) weeks within which the meeting may be held; provided, however, that the petition be delivered to the Secretary no less than one (1) week before the specified period. The Secretary shall verify that the petition is signed by ten percent (10%) of the voting members and, if the petition is so sufficient, shall issue notice to the members of the meeting with an agenda reflecting the petitioner's statement of the purpose of the meeting. The Board may, but is not compelled, to call a special meeting or conduct a vote on any issue it feels membership has voted upon within the past six (6) months.

SECTION 6. Quorum and Approval of Rule-Making Decisions.

At any regular or special meeting of the Association, twenty-five percent (25%) of the membership shall be physically present, vote by mail or vote by proxy to constitute a quorum. Approval of any amendment to the Bylaws will require a two-thirds (2/3) majority vote of the eligible voters represented at the meeting. Any membership meeting at which a quorum is not present may be adjourned from seven (7) to fourteen (14) days. Notice will be given to all voting members of the adjourned meeting. A quorum will consist of five percent (5%) of the membership. Said quorum will consist of members physically present, voting by mail or voting by written proxy.

SECTION 7. Transaction of Business of Association Meetings.

At an Association meeting, declarative resolutions may be adopted and instruction may be issued to the Board, provided they do not abridge powers specifically granted to the Board by these Bylaws. At a special meeting of the membership, no business may be transacted other than that stated in the agenda as the purpose of the meeting, without the unanimous consent of the members present. At the regular or special meeting, each membership shall be given an opportunity to be heard and to discuss the issues, but, the presiding member of the Board may limit the time given to each member to speak, or set forth other measures designed to conduct an orderly meeting.

SECTION 8. Complaint Procedure.

Any Association member or group of members may convey a written complaint about Association matters to the President, or other Board members acting on behalf of the President. The Board shall respond in writing to the complainant about the merits of the complaint within thirty (30) days of receipt. The response by the Board shall include a statement which describes the Board's

interpretation of the Bylaws as they pertain to the complaint. If the complainant is not satisfied with the outcome, he/she may proceed to a second stage by requesting a formal hearing in writing of the President of the Board. The purpose of the hearing is to permit the complainant to present additional information relevant to the original complaint or the Board's written response. Upon receipt of such written request, the President of the Board will arrange a hearing as soon as practical, but at least within thirty (30) days. At least three (3) members of the Board with the power to act must be present at the hearing. The complainant may invite other property owners who have relevant information to be present. Within fifteen (15) days of the hearing the Board must respond in writing to the complainant by affirming its original decision, modifying its initial decision or continuing the fact-finding process for another thirty (30) days. The complainant may request another hearing at the end of the fact-finding period. Following the second hearing, the Board shall respond to the complainant within seven (7) days and that will be the final administrative step in the complaint process.

In the event that the dispute cannot be resolved by all parties subject to this Agreement as to their duties and obligations under this Agreement, or in the event any of the property owners are substantially impaired by death, illness, mental or physical disabilities, then the parties shall, after all reasonable efforts are made, negotiate a settlement of their obligations and duties, and will submit their dispute to arbitration. All parties to the dispute shall select one arbitrator. If the number of arbitrators is an even number and the arbitrators so selected cannot agree, the arbitrators shall in turn jointly appoint one additional arbitrator. The parties shall abide by the decision of the majority of the arbitrators with regard to matters set forth in this Agreement. Each party shall bear the expense of the appointment of his own arbitrator and the expense of the appointment of the additional arbitrator, if necessary, shall be borne equally by the parties.

ARTICLE IV MAIL VOTE

Whenever, in the judgment of the Board of Directors, any question shall arise that requires a vote of the membership, except voting to amend the Bylaws, and when the Board deems it inappropriate to call a special meeting for that purpose, the Board may submit the matter to the membership in writing by mail for vote and decision. The question thus presented shall be decided according to a majority of the votes received by mail within two (2) weeks after such submission to the membership, provided that in each case votes of at least twenty-five percent (25%) of the members shall be received. Action taken in this manner shall be as effective as action taken at a duly called meeting.

ARTICLE V LIABILITIES

Nothing shall constitute members of the Association as partners for any purpose. No

member, officer, agent or employee shall be liable for the acts or failure to act of any other member, officer, agent, or employee of the Association. Nor shall any member, officer, agent, or employee be liable for his acts or failure to act under these Bylaws, except only acts of omissions arising out of his intentional misfeasance, nonfeasance, or malfeasance. Added liability insurance will be obtained and paid for by the Association.

ARTICLE VI DUES AND ASSESSMENTS

Each owner of any lot, by acceptance of a deed therefore, hereby agrees and is deemed to pay, for each lot owned, to the Association the following;

1. Monthly dues and assessments for the operation of the Association and reserve or capital account are due and payable the 1st of each month and shall become delinquent the 30th of each month.
2. Monthly dues for landscaping, grounds keeping and reserve contribution shall be determined by a budget containing the estimated cost of operating the Association during the following year, including a capital improvement or reserve for maintenance and improvements account (roads and sidewalks), and thereafter levied and paid in accordance with the provisions of the CC&R's, which includes a payment of thirty-three and one-third percent (33-1/3%) of the annual assessment amount for undeveloped parcels as defined in the CC&R's, and one hundred percent (100%) for developed property.
3. Special assessments, when required, to meet the obligations of the Association to cover unusual and/or unexpected expenditures and shall be levied as provided in the CC&R's. Special assessments shall be assessments to cover expenditures for the repair of existing improvements, which have occurred as the result of an act of God, unforeseen and unsuspected government requirements or repairs of existing improvements which have become in serious disrepair after an event or sequence of events which were not previously foreseeable and which repairs must be made in an urgent time frame and is not a result of normal wear and tear. Special assessments shall not be used to make improvements substantially superior to the condition of the improvements prior to the need of such repair, unless necessary for safety reasons.

The amount of monthly dues and the amounts of special assessments for each membership will be determined by the Board of Directors in accordance with the CC&R's.

Unpaid monthly dues and unpaid special assessments, together with interest costs and reasonable fees incurred in the collection thereof, shall become a lien against the property against which each charge is made. Such charges are to be the obligation of the person, entity or executor

who was the owner of such property at the time when the charges fell due. Anyone who has not paid his or her dues may not vote.

**ARTICLE VII
AMENDMENTS**

These Bylaws of the Association may be amended, repealed, or altered in the whole or in part by a two-thirds (2/3) majority vote of the eligible voters represented at the meeting.

**ARTICLE VIII
BUILDING AND USE RESTRICTIONS**

FAIRHAVEN VISTA SUBDIVISION is zoned for multi-family dwellings. It is the intent of the developer and the Association to maintain a continuity of building and landscaping appearance being primary to protect property values. It is intended that these restrictions be applied with common sense and discretion.

Approved by the Board of Directors this 22 day of July, 2002.

Michael S. Nichols
President

Claire Nichols
Secretary/Treasurer

STATE OF OREGON, }
County of Deschutes } ss.

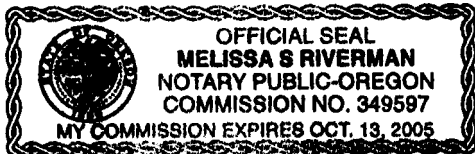
FORM No. 23—ACKNOWLEDGMENT.
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BE IT REMEMBERED, That on this 22nd day of July, 2002, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within named Michael J. Nichols and Claire Nichols as Secretary/Treasurer of Fairhaven Vista Property Owners Association, Inc. known to me to be the identical individuals described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Melissa S. Riverman
Notary Public for Oregon

My commission expires



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