

BY-LAWS
OF
HOMEOWNERS OF NOTTINGHAM SQUARE ASSOCIATION

ARTICLE I

Name and Location of Association

The name of this Association is the Homeowners of Nottingham Square Association. It's principal office is located at P. O. Box 1129, Bend, Oregon 97701.

ARTICLE II

Definitions

All terms defined in the "Declarations, Restrictions, Protective Covenants and Conditions for Nottingham Square, recorded in Volume 200, Page 994, Deed records, Deschutes county, Oregon, are hereby incorporated herein.

ARTICLE III

Membership and Meetings

Section 1. Membership.

Members of the Association shall be every lot owner in Nottingham Square. There shall be no other qualifications for membership. Membership shall terminate upon the transfer of a fee simple title to a lot or upon sale on contract by an existing lot owner to a new owner.

Section 2. Meetings of Members - Place

Meetings of the members shall be held at the principal office of the Association or at such other place designated by the Board of Directors.

Section 3. Annual Meetings

The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 10:00 o'clock a.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 4. Special Meetings

Special meetings of the members may be called at any time by the president or 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 Class A membership.

Section 5. 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 mailing a copy of such notice, postage prepaid, at least 15 days before such meeting 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, day and hour of the meeting, and, in case of a special meeting, the purpose of the meeting.

Section 6. Quorum

Except as otherwise provided herein or in the "Declaration", the presence either in person or by proxy of members entitled to cast at least 20 percent of the total votes of the Association shall constitute a quorum for the transaction of business at all meetings. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a member or members. 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 adjourn the meeting from time to time until a quorum is present.

Section 7. Voting

The members will possess the voting rights described in the "Declaration" referred to above.

Section 8. 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE IV

Board of Directors

Section 1. Number

The affairs of this Association shall be managed by a Board of three (3) directors, who need not be members of the Association.

Section 2. Term

The directors on the initial Board shall serve until the first annual meeting (with the right to run for re-election). At the first annual meeting the membership shall elect one director for a three year term, one director for a two year term, and one director for a one year term, with all terms thereafter being for three years when filling vacancies caused by expiration of terms.

Section 3. Vacancies

Vacancies in the Board of Directors shall be filled by a vote of a majority of the remaining directors. The remaining term of the vacancy filled shall be served by the director so elected.

Section 4. Removal of Directors

Directors may be removed from office before their term expires by a majority vote of all members, whether voting by proxy or in person, at a special meeting called for the purpose of such removal or at a general meeting.

Section 5. Compensation

No director shall receive any compensation for any service he may render to the Association as a director. However, any director may be reimbursed for his actual expenses which are incurred in the performance of his duties as director or may receive compensation for services to the Association in a capacity other than as a director.

Section 6. Manner of Election

Prospective directors will run for a specific vacancy. After nominations from the floor at the annual meeting or by a nominating committee appointed by the chairman of the Board of Directors, a secret written ballot will be taken by all members or their proxies for each vacancy. Cumulative voting is not permitted. The person receiving the most votes for each vacancy shall be elected. Voting may be by show of hands unless at least three members shall request that written ballots be used.

ARTICLE V

Meetings of the Board of Directors

Section 1. Regular Meeting

Immediately after each annual meeting of members, the directors elected at such meeting and those holding over shall hold a meeting for the purpose of electing officers as hereinafter provided and for the transaction of such other business as may come before the meeting. No prior notice of such meeting shall be required to be given to the directors. The Board of Directors by resolution may establish other dates, times, and places for regular and special meetings of the Board.

Section 2. Special Meetings

Special meetings may be called by the chairman at the request of at least two directors, or at the chairman's discretion. ~~These special meetings may be held at such reasonable~~ times and places as the chairman may determine and shall be limited to only those items of business described in the notice of such special meeting.

Section 3. Notices

No notice need be given for regular meetings held pursuant to Article V, section 1. Notice of special meetings must be given at least two days prior to the time of the meeting and shall include all business to be considered at such meeting. Attendance at a meeting shall constitute a waiver of notice thereof.

Section 4. Quorum

A majority of the directors shall constitute a quorum. Directors may take any action without a meeting which is in their power by obtaining written approval of all of the directors to such action.

ARTICLE VI

Powers and Duties of the Board of Directors

Section 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 penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational facilities of a member 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 of not to exceed 60 days for infraction of 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 By-Laws, the Articles of Incorporation, or the Declarations;

(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;

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

(f) Appoint an Architectural Committee;

(g) To perform all other responsibilities given to it by the "Declarations" referred to on page 1 hereof;

(h) To perform all other powers and duties granted by law.

Section 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 one-fourth (1/4) of the Class A members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

to:

(c) As more fully provided in the Declaration

(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; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) 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 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) Cause the Common Area to be maintained.

Section 3. Liability and Indemnification of Directors.

The directors shall not be liable to the Association or the unit owners for any mistake of judgment, negligence, or otherwise except for their own willful misconduct or bad faith. The Association shall indemnify and hold harmless each director and the manager or managing agent, if any, against all contractual liability to others arising out of contracts made by the Board of Directors, manager, or managing agent on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declarations filed herewith or of these Bylaws. Each director and the manager or managing agent, if any, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been a director, manager, or managing agent and shall be indemnified upon any reasonable settlement thereof; provided, however, there shall be no indemnity if the director, manager, or managing agent is adjudged guilty of willful nonfeasance, misfeasance, or malfeasance in the performance of his duties.

ARTICLE VII

Officers

Section 1. Designation and Election

The principal officers of the Association shall be a president, a vice president, a secretary and treasurer. The

Board may appoint an assistant secretary or an assistant treasurer by resolution. The officers of the Association shall be elected annually by the Board of Directors and shall hold office at the pleasure of the Board.

Section 2. Removal, Resignation, and Vacancies

Any officer may be removed by an affirmative vote of the majority of the members of the Board of Directors. A vacancy in any office may be filled in the manner prescribed for regular elections with the officer elected filling the remainder of the term of the officer he replaces.

Section 3. President

The president shall preside at all meetings of the Association. He shall have all of the general powers and duties which are usually vested in the president of an association.

Section 4. Vice President

The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the Board will appoint some other board member to do so on an interim basis. He shall also perform such other duties as may be delegated to him by the Board of Directors.

Section 5. Secretary

The secretary shall keep the minutes of all meetings of the members of the Association and of the Board; shall serve notice of any such meetings; shall keep appropriate records of the names and addresses of the Association members; and shall perform other duties incident to the office of secretary.

Section 6. Treasurer

The treasurer shall have care and custody of and be responsible for all the funds of the Association and shall deposit such funds in the name of the Association and shall or safe deposit companies as the Board may designate; shall make, sign, and endorse in the name of the Association all checks, drafts, notes, and other orders for the payment of money; and further shall perform all duties incident to the office which the treasurer of an association normally performs.

Section 7. Delegation and Change of Duties

In the event of absence or disability of any officer the Board of Directors may delegate during such absence or disability the powers or duties of such officer to any other officer or any director.

ARTICLE VIII

Books and Records

Section 1. Inspection by Members

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declarations, the Articles of

Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 2. Execution of Instruments

All checks, drafts, notes, bonds, acceptances, deeds, leases, contracts, and other instruments shall be signed by such person or persons as may be designated by general or special resolution of the Board of Directors, and in the absence of any such general or special resolution applicable to any such instrument, then such instrument shall be signed by the president.

ARTICLE IX

Assessments

As more fully provided in the Declarations, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessments are not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten (10) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such an assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

ARTICLE X

Amendments

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declarations shall control.

ARTICLE XI

Notices

All notices to the Association or to the Board of Directors shall be sent to the principal office of the Association, or to such other address as the Board of Directors may hereafter designate from time to time. All notices to any member shall be sent to such address as may have been designated by him from time to time, in writing, to the Board of Directors.

ARTICLE XII

Miscellaneous

Section 1. Waiver

No restriction, condition, obligation, or provision

contained in these bylaws 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.

Section 2. 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.

IN WITNESS WHEREOF, we, being all of the directors of HOMEOWNERS OF NOTTINGHAM SQUARE ASSOCIATION, have hereunto set our hands this 15th day of November, 1973.

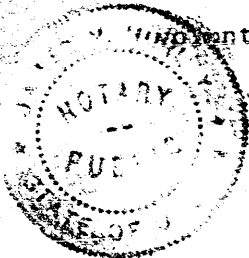
Jan Ward
Jan Ward

Josele Ward
Josele Ward

Kim Ward
Kim Ward

STATE OF OREGON, County of Deschutes, ss: November 15, 1973

Personally appeared JAN WARD, JOSELE WARD, and KIM WARD, who, being duly sworn, each for himself and not one for the other, did say that each is a member of the Board of Directors of HOMEOWNERS OF NOTTINGHAM SQUARE ASSOCIATION, and that the seal affixed to the foregoing instrument is the corporate seal of the association and that said instrument was signed and sealed in behalf of said corporation and each of them acknowledged said instrument to be its voluntary act and deed. Before me:



10531

James H. Huley
Notary Public for Oregon
My Commission Expires: 11/26/74

STATE OF OREGON

County of Deschutes

I hereby certify that the within instrument of writing was received for Record

on the 16 day of Nov A.D. 1973

at 4:49 o'clock P.M. and recorded

in Book 201 on Page 9 Records

of Deschutes

ROSEMARY PATTERSON

County Clerk

By David R. Patterson Deputy