

Return To: Rancho El Sereno Homeowner's Association  
64915 Valeview Drive, Bend, Oregon 97701

**BY-LAWS OF  
RANCHO EL SERENO HOMEOWNER'S ASSOCIATION  
(RESHA)**

**ARTICLE I: Purposes and objects:**

(1) The purposes and objects for which Rancho El Sereno Homeowner's Association has been formed, are:

- (a) To acquire, own, operate and maintain a water system suitable and sufficient to furnish domestic water for residents of RANCHO EL SERENO sub-division, only;
- (b) To own, lease or otherwise acquire machinery and equipment necessary to maintain the roads and drains within the subdivision, ~~or to contract for~~ such services as are necessary for this function, which shall be understood to include snow removal.
- (c) To formulate appropriate policies to assure proper road maintenance and the successful continuance of the water district and maintenance of its facilities.
- (d) To establish fair and sufficient rates for all water users as necessary to provide for equitable payment by all persons furnished domestic water by the association of all amounts necessary to operate and maintain the system. It is recognized that the establishment of sufficient reserve funds to enable the association to replace equipment as the same wears out, or ceases to be functional, will be a necessary and prudent function of the association.
- (e) The association shall acquire, own, lease or obtain real and personal property as may be necessary or convenient for the transactions of its business and fulfillment of its purposes and objects and to exercise all rights, powers and privileges of ownership to the same extent as natural persons might or could do.
- (f) The association shall not engage in political activity or pursue political purposes of any kind or character.

**ARTICLE II: Meetings:**

- (1) Annual Meeting - The annual meeting of the members is held in accordance with the Articles of Association, Article VI, A.
- (2) Special Meetings - A special meeting of the members may be called by the President (with the approval of the Board of Directors), or a quorum (33 1/3%) of homeowners.
- (3) Notice of Meetings - Written notice stating the place, day and hour of any annual or special meeting of members shall be delivered either personally or by mail to each member entitled to vote at such meeting not less than 10 days before the date of such meeting.

- (4) Quorum - Thirty-three and one third percent (33 1/3%) of members present in person or by proxy shall constitute a quorum at any annual or special meeting of the association.
- (5) Elections - All elections of officers and the Directors, shall be held at the annual meeting or at a special meeting of the association, except that the Directors may fill a vacancy of either Officer or Director, or both, until the next meeting of the Members. In the event that an election is to be held at a special meeting, the notice of such meeting shall refer to and describe the proposed election.

#### ARTICLE III: Members and Non-Members:

- (1) Eligibility for membership in the association shall be as defined in the Articles of Association.
- (2) Non-members are hereby defined as all beneficial owners of property falling within the limits of the area served by this homeowners association, who voluntarily or otherwise have failed to meet the requirements for membership in the association, as specified in the Articles of Association. Non-members shall be subject to assessment at rates different from those charged to members of the association in such amounts as to assure that each ultimate user and beneficiary of the activities and functions of the water district and road maintenance work of the association shall pay equally for such service. Where members are assessed dues and other assessments as require to assure the orderly conduct of the affairs of the association, non-members will be assessed fees for services at rates calculated to permit them to pay their fair share of such expenses.
- (3) Any person qualifying to be a member of the association who is not a member, may change such status at any time by paying all assessment, arrearages of dues or fees.

#### ARTICLE IV: Board of Directors:

- (1) The Board of Directors is made up of the four (4) elected officers and up to five (5) elected directors, which may total nine, each having one vote.
- (2) General Powers: The responsibility for management and conduct of the affairs of the association shall be vested in the Board of Directors.
- (3) Tenure and Qualification: Each Director shall be a member of the association, and shall hold office from the date of their election for a period of two (2) years thereafter unless they shall sooner resign or cease to be a member of the association, or be disqualified for any reason. The remaining Directors shall fill any vacancies. Each such replacement Director to hold office and shall do so until the next annual meeting or special meeting called for the purpose of electing a replacement.
- (4) Elections of Directors shall be such as to ensure continuity to the greatest extent practicable and therefore the number of positions coming up for re-election at each annual meeting shall approximate 1/3 of the total number of Directors on the Board.
- (5) No Board member of the Rancho El Sereno Homeowners may use their position or responsibility with the association to further their own personal benefit, or benefit any political gain.
- (6) No RESHA litigation may be conducted without the full consent of the Board of Directors and a majority vote of the full association.

ARTICLE V: Officers:

- (1) The officers of the association shall be President, Vice President, Secretary and Treasurer.
- (2) The officers, all of whom shall be members of the association, and of the Board of Directors, shall be elected by the membership at annual meetings, and shall serve as officers for one (1) year each. Officers shall be eligible for re-election.
- (3) The President shall preside at all meetings of the association and of the Board of Directors at which he is present, shall exercise general supervision of the affairs and activities of the association, and shall serve as member ex-officio of all committees.
- (4) The Vice President shall assume the duties of the President during his absence or inability for other reason, to serve.
- (5) The Secretary shall keep the minutes of all of the meetings of the association and of the Board of Directors, which shall be an accurate and official record of all business transacted. The Secretary shall be the custodian of all association records.
- (6) The Treasurer shall receive all association funds, keep them in the Bank approved by the Board of Directors, and pay out funds only in accordance with directions of the Board and the President. The association shall arrange for appropriate bonding of those Officers having signature powers on the association account. Have all financial records up to date in accordance with ORS 94.670.

ARTICLE VI: Fees, Dues, Assessments and Rates:

- (1) Beneficial ownership of a lot or home within Rancho El Sereno shall qualify any such owner as to be a member of the association, and upon payment of an initial membership fee of Two Hundred Dollars (\$200.00) any dues, assessments, and rates as prescribed in Article III of these By-laws, shall constitute a member.
  - (a) Special assessments may be levied on members of the association: To secure funds necessary to carry out the purposes stated in Article I of these By-laws; and upon a meeting called for such purpose, of which notice in writing, including outline of any proposed assessment has been furnished to all members of the association not less than 10 days prior to the date specified for such meeting.
- (2) Fees and Rates: The association shall from time to time establish annual membership fees, water rates and road maintenance rates. Such rates shall be established so as to assure adequate income to the association to carry out its responsibilities for water distribution and road maintenance.
- (3) Differentials in Rates: It is recognized that some Homeowners or lot owners within the sub-division may not sign the Articles of Association, and/or fail to pay annual dues and such added assessments as may from time to time be approved by the Board as necessary to conduct the responsibilities of the association, and accordingly the Board is authorized to establish two rates for water service-one applicable for members and one for non-members.  
The rate for non-members shall be established by the Board from time to time, but not less frequently than annually so as to produce revenues to the association from non-members which shall assure that an annual amount will be paid to the association by non-members approximately equal to the total paid by members in annual fees, assessments, water rates and road maintenance rates.

- (4) Default in payment of dues or assessments. When any member shall be in default of payment of dues or assessments for a period of 60 days from the date on which such assessments or dues became payable, such member shall immediately be classified as a non-member, and thereafter subject to such rate differentials as shall be prescribed by the Board of Directors to assure equality of financial support of necessary functions and responsibilities of the association.
- (5) If an assessment is 60 days past due, a certified letter will be sent to the resident of the property. This notice shall be deemed given when it is deposited in the United States Post Office, properly addressed with postage pre-paid. If the letter is accepted and no satisfactory response has been made, then 5 days after acceptance of letter, the water will be shut off. If the letter is not accepted, then 5 days after the reasonable time to allow acceptance of the letter, if no satisfactory response has been made, the water will be shut off. Following issuance of such notice, the association shall not be required to accept any less than full payment, as set forth in the notice. However, if the resident cannot pay the full amount due, and the Board of Directors accept their terms, the resident will enter into a contract with the association to pay monies owed on past due bills plus the current bill. If the water is turned off, a shut off fee will be charged. And a restart fee will be charged to turn it back on. The board may establish a reasonable charge that may be added to the amount of the account delinquency.
- (6) Renters and non-members of the association are charged fees at a different rate than members of the association. If the homeowner is not residing in the residents, and it is occupied, then the home will be charged at the non-member rate. This includes relatives, unless this is for a temporary (less than 3 months) period. Homes that are vacant may be charged at the non-resident rate (one cent per gallon, with no basic) if RESHA is notified at the time the vacancy occurs. The road fee will continue, because the road fee is charged per year. RESHA just allows people to pay monthly if they wish.
- (7) Homeowners are responsible to insure that rental occupants notify RESHA immediately upon moving in or out of a residence. If this fails to happen, the homeowner may be held responsible for any debt/inconvenience caused.
- (8) Water meters and check valves are the property of RESHA and may not be tampered with by any person other than RESHA authorized representatives. Any exceptions to this ownership must be in writing and from an authorized RESHA representative.
- (9) If a persons water is turned off due to failure to pay, a RESHA authorized representative is the only person that may turn that water back on. If a person is in default for not paying their RESHA bill then a higher deposit may be charged.
- (10) In addition to the foregoing, to the extent permitted by law, failure of any member to pay assessments as the same become due, shall permit such amounts to become a lien on the living unit located within the subdivision in favor of the association, and the association shall have the right to record a Notice of Claim of Lien and proceed thereon in accordance with the provisions of the Oregon Revised Statutes for the foreclosure enforcement of liens. In the event that the association shall record a lien, it shall have the right to commence an "In Personam" action against such member for the collection of the assessments in any Court of Competent jurisdiction. In the event of any such action, the prevailing party shall be entitled to an award of reasonable attorney fees, as set by any trial or appellate Court before whom the matter may be brought.

ARTICLE VII: Fiscal Year:

(1) The fiscal year of the association shall be January 1, through December 31.

ARTICLE VIII: Amendments:

(1) Any proposed amendment to these by-laws may be submitted in writing at any meeting of the members of the association, or proposed by the Board of Directors and presented to such meeting. Upon approval of a majority of those present at any meeting duly called for such purpose at which a quorum is present, the amendments shall take effect.

Approved by the membership at the annual meeting conducted April 17, 1996 by a majority vote. Approved by legal counsel, Mr. Thomas Vincent Bryant Jr., on December 16, 1996.



Ron Wheeler  
RESHA President

State of OREGON

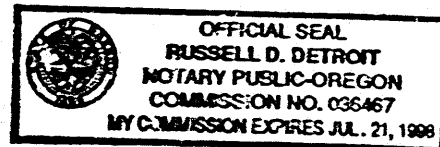
County of DESCHUTES

Signed or attested before me on 01-24, 1997 by Ron Wheeler



Notary Public - State of Oregon

My Commission expires: July 21, 1998



STATE OF OREGON )  
COUNTY OF DESCHUTES ) ss.

I, MARY SUE PENHOLLOW, COUNTY CLERK AND  
RECORDER OF CONVEYANCES, IN AND FOR SAID  
COUNTY, DO HEREBY CERTIFY THAT THE WITHIN  
INSTRUMENT WAS RECORDED THIS DAY:

97 JAN 24 AM 9:21

MARY SUE PENHOLLOW  
COUNTY CLERK

BY:  DEPUTY

NO. 97-02441 FEB 25

DESCHUTES COUNTY OFFICIAL RECORDS