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\$115.00 \$5.00 \$11.00 \$20.00 - Total = \$151.00



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I, Richard Hobernicht, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Richard Hobernicht, Director of Assessment and Taxation, Ex-Officio County Clerk



After recording, return to:

*Sign*  
Kathleen A. Profitt  
Profitt Law PC  
13568 SE 97<sup>th</sup> Ave., Ste. 203B  
Clackamas, OR 97015

Summerfield Townhouse Service Association No. 1  
c/o Summerfield Civic Association  
10650 SW Summerfield Drive  
Tigard, OR 97224

AMENDED AND RESTATED BYLAWS OF SUMMERFIELD TOWNHOUSE SERVICE ASSOCIATION NO. 1

A NONPROFIT OREGON CORPORATION

These Amended and Restated Bylaws of Summerfield Townhouse Service Association No.1 ("Amended and Restated Bylaws") are made this 29 day of November, 2016, by Summerfield Townhouse Service Association No.1, an Oregon nonprofit corporation (the "Association")

RECITALS

- A. Summerfield Townhouse Service Association No.1 is a community comprised of the owners of the following described property:  
  
Lots 87 through 140 inclusive; SUMMERFIELD No. 2, in the City of Tigard, County of Washington, and State of Oregon.
- B. Association is the Summerfield Townhouse Service Association No. 1, incorporated November 29, 1973, as a nonprofit corporation under Oregon law.
- C. The Association is currently governed by the following documents recorded in the records of Washington County, Oregon:

Amended By Laws of Summerfield Townhouse Service Association No. 1, A Nonprofit Oregon Corporation, recorded on or about October 13, 1989 under Washington County Recorder's No. 89-53399; and Amended Bylaws of Summerfield Townhouse Service

Association #1, A Nonprofit Oregon Corporation, recorded on or about June 15, 1994 under Washington County Recorder's No. 94060503 (the "Bylaws").

- D. As of the date of the filing of this document, the property governed by the Association is a Class I Planned Community and subject to the provisions of the Oregon Planned Community Act (ORS 94.550 to 94.783) as provided in ORS 94.572.
- E. The Association wishes to amend and restate the Bylaws in their entirety and to record the Amended and Restated Bylaws as provided in ORS 64.624.

NOW, THEREFORE, pursuant to Article X and Article VIII, Section 8.5 of the Bylaws and ORS 94.625, with the affirmative vote of a majority of the directors present at a meeting of the Board of Directors, the Association hereby amends and restates in their entirety the Bylaws which are replaced and superseded by these Amended and Restated Bylaws which read as set forth below.

## ARTICLE I

### 1.0 Definitions.

- 1.1 **"Backyard"** shall refer to the grounds located behind the residences, on the opposite side of where the driveway is located for each residence, and not enclosed by a fence.
- 1.2 **"Civic Association"** shall mean and refer to Summerfield Civic Association, an Oregon nonprofit corporation, its successors and assigns.
- 1.3 **"End Unit"** shall mean lots 87, 91, 92, 97, 98, 102, 103, 107, 108, 113, 114, 118, 119, 123, 124, 129, 130, 134, 135, and 140.
- 1.4 **"Fiscal Year"** shall refer to the calendar year.
- 1.5 **"Member"** shall mean and refer to every person or entity who holds membership in STSA #1.
- 1.6 **"Member in Good Standing"** shall mean and refer to any Owner who is not delinquent more than 30 days on payment of assessments and who is not subject to pending enforcement action by the Board for violation of the Governing Documents or the Act.
- 1.7 **"Owner"** shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Residential Unit which is a part of the Properties, including contract purchasers, but excluding those having an interest merely as security for performance of an obligation. The term "proprietary" shall have the same meaning as "owner".

- 1.8 "PCA" shall refer to ORS 94.550 – 94.785, the Oregon Planned Community Act.
- 1.9 "Properties" shall mean and refer to that certain real property in the County of Washington, State of Oregon, described as:
- All lots in Summerfield #2, as platted and as shall be of record in Washington County, Oregon and such additional lots or parcels as may hereafter be brought within the jurisdiction of Service Association.
- 1.10 "Residential Unit" shall mean and refer, severally to the respective residential units constructed in the plat of Summerfield #2 or any lot in Summerfield #2 or in any other plat together also with the interest herein defined in the party wall or walls located at and along a boundary or boundaries of such residential unit or units abutting on such boundary or boundaries.
- 1.11 "STSA #1" shall mean and refer to Summerfield Townhouse Service Association #1, an Oregon nonprofit corporation, its successors and assigns.

## ARTICLE II

- 2.0 Membership.** Every person or entity who is a record owner of a fee or undivided fee interest in any residential unit which is subject by covenants of record to assessment by STSA #1 shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to, and may not be separated from ownership of any residential unit which is subject to assessment by STSA #1. Ownership of such residential unit shall be the sole qualification of membership.

## ARTICLE III

### 3.0 Voting Rights.

- 3.1 Membership Votes. Only members/owners shall have voting rights in STSA #1. When more than one person holds such interest in any Residential Unit, each of such persons shall be a member. The vote for such Residential Unit shall be exercised as they among themselves determine. In no event shall more than one vote be cast with respect to any Residential Unit.
- 3.2 Voting: Proxies Owners may cast votes in person, by written ballot, by absentee ballot, by proxy, or by any other means specified in the PCA, including electronic ballot. Proxies must be filed with the Secretary of the Association ("Secretary") before or during the appointed meeting. A proxy shall expire eleven (11) months after the date it was signed unless a shorter period is specified in the proxy. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. Unless withdrawn, a proxy given to another person to vote at a specific meeting shall also be valid at an adjourned meeting

called under the provisions of Section 7.3. Proxies and ballots must be retained by the Association for one (1) year from the date of the determination of the vote.

- 3.3 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 Unit Owners for all purposes except where a higher percentage vote is required by law, by the Declaration or by these Bylaws.

#### ARTICLE IV

#### 4.0 Assessments.

- 4.1 Obligation to Pay Assessments. Each Owner by acceptance of a deed to the Residential Unit whether or not it is so expressed in the deed or other conveyance, is deemed to covenant and agree to pay the following types of assessments as provided in this article:

- a. Regular assessments for common expenses under Section 4.4;
- b. Special or extraordinary assessments provided in Section 4.7 below;
- c. Other assessments levied by the Association under these Bylaws.

Each assessment, together with interest, late payment charges and collection costs as provided in Section 4.11 below are the personal obligation of the Owner of the Residential Unit and subsequent Owners as provided by the PCA.

An Owner may not claim an offset against an assessment for failure of the STSA #1 to perform its obligations and no Owner may offset amounts owing or claimed to be owed by the STSA #1 to the Owner.

An Owner by the Owner's action may not claim exemption from liability for contribution towards common expenses by waiver by the Owner of use or enjoyment of any of the common property or by abandonment by the Owner of the Owner's Residential Unit.

#### 4.2 Budget.

- 4.2.1 Adoption of Budgets. The Board shall, from time to time and at least annually, estimate the common expenses determined under Section 4.4 below expected to be incurred, take into account any expected revenue and any surplus available from the prior year's budget and prepare a budget for the STSA #1 (the "annual budget").

- 4.2.2 Continuation of Prior Adopted Budget. If the Board of Directors fails to adopt an annual budget, the last adopted budget continues in effect.

- 4.2.3 Amended Budget. A budget adopted under Section 4.2.1 of this section may be amended at any time by the Board at any regular or special meeting of the Board.
- 4.2.4 Budget Summary. Within thirty (30) days after adopting the annual budget for the STSA #1 and any amended budget, the Board shall provide a summary of the budget to all affected Owners.
- 4.2.5 Surplus Funds. If the sums estimated, budgeted, and collected at any time exceeds necessary funds, the Board may reduce the amount being assessed under the budget or apply excess funds against future common expenses.
- 4.3 Periodic Assessment. The Board, on behalf of the STSA #1, shall assess the common expenses to each Owner in the allocation specified in Section 4.5 below from time to time and at least annually. Unless otherwise provided by the resolution of the Board, the annual assessment shall be levied in monthly periodic installments ("regular assessment"). No change to the assessment schedule may become effective unless affected Owners have been given at least thirty (30) days written notice of the change. Due dates of assessments shall be the first day of each month.
- 4.4 Common Expenses. The Board, on behalf of the STSA #1, may levy assessments against Owners and Residential Units as common expenses for the following purposes:
- a. Expenses of operation and administration of the STSA #1.
  - b. Cost of insurance or bonds obtained in accordance with these Bylaws.
  - c. Reserve for major maintenance and replacements as set forth in Section 4.6 below.
  - d. State and Federal taxes.
  - e. Any deficit in common expenses for any prior period.
  - f. The cost of any utilities that have a common water meter or that are commonly billed; however to the extent an owner does not have HOA provided water, that owner shall be exempt from paying such water costs as common expenses. Lots 87, 88, 89, 90, and 91 do not have HOA provided water.
  - g. Cost of cable television service as under Section 4.14 below.
  - h. Expenses of any other items determined by the Board to be in the collective best interest of the Owners and the STSA #1.

4.5 Allocation of Common Expenses. Total assessments must equal the annual budgeted amount including the amount set aside for the reserve account. Each Owner shall be bound to pay to the STSA #1 monthly assessments to be fixed, established and collected from time to time as herein provided. Until modified by this STSA #1, acting through its Board of Directors, the monthly assessments levied against the respective residential units shall be based on lot sq. footage, unit ground floor sq. footage, End Unit or interior unit, and whether the unit is one or two story in size. The Association may include within monthly assessments fees for basic cable television as negotiated with the television cable company by the Board of Directors of the STSA #1.

4.6 Reserve Account for Major Maintenance, Repair and Replacement.

4.6.1 Establishment of the Reserve Account. STSA #1 shall establish and maintain a reserve account for major maintenance, repair or replacement of items for which there is a common maintenance, repair or replacement obligation, and that all or part of which would normally require major maintenance, repair or replacement in more than one (1) or less than thirty (30) years, if the STSA #1 has responsibility to maintain the items and for such other items as may be required by these Bylaws (the "Reserve Account"). The Reserve Account need not include these items:

- a. That could reasonably be funded from non-reserve items in the annual budget; or
- b. For which one or more Owners are responsible for maintenance and replacement under the provisions of these Bylaws.

4.6.2 Determination of Reserve Account; Reserve Study. The Board annually shall determine reserve account requirements. In determining the requirements, the Board shall annually conduct a reserve study, or review and update an existing study, as described in the PCA.

In accordance with the PCA, the Board of Directors shall conduct a reserve study upon receipt of a petition signed by a majority of Owners mandating that the reserve study requirements of the PCA apply.

Within thirty (30) days after conducting the reserve study, the Board shall provide to every Owner a copy of the reserve study or a written summary of the reserve study and of any revisions, including any revisions to any adopted maintenance plan.

4.6.3 Use of Reserve Account. The Reserve Account may only be used for the purposes for which the reserves have been established and must be kept separate from other funds.

- a. The Board may borrow funds from the Reserve Account to meet high seasonal demands on the regular operating funds or to meet unexpected increases in expenses if the Board has adopted a resolution, which may be an annual continuing resolution, authorizing the borrowing of funds.
- b. The Board may use funds dedicated to one reserve item to meet unexpected expenses of another reserve item if the Board has adopted a resolution authorizing the use of the funds.
- c. Not later than the adoption of the budget for the following year, the Board shall adopt by resolution a written payment plan providing for replenishment within a reasonable time of any used funds under Section 4.6.3 (a) or 4.6.3(b) of this subsection.
- d. The Reserve Account shall be maintained in the name of the Association, in one or more separate federally insured accounts, including certificates of deposit, at a financial institution, as defined in ORS 706.008, and as it may be amended.

4.7 Special or Extraordinary Assessments. The Board has the power to levy special assessments against an Owner and Owners in the following manner for the following purposes:

- a. To correct a deficit in the annual budget by a vote of a majority of the Board.
- b. To provide maintenance required under the Bylaws if funds are not available from the general operating expense account or reserve account established under Section 4.6 above by a vote of a majority of the Board.
- c. To reimburse the Association for costs incurred in bringing an Owner or Residential Unit into compliance with the Declaration, Bylaws, or rules or regulations by a vote of the majority of the Board and after notice to the Owner and an opportunity for a hearing.

4.8 Default in Payment of Assessments; Enforcement of Lien. If an assessment levied by the STSA #1 is not paid within thirty (30) days after its due date (as established by the Board), the assessment becomes delinquent and is subject to interest, late

payment charges and collection costs as set forth in Section 4.11 below. In addition, the STSA #1 may exercise any or all of the following remedies:

4.8.1 Acceleration of Assessment. If a regular assessment due under Section 4.3 above or an installment of any other assessment is delinquent for more than 60 days, the Board may, after ten (10) days written notice, declare the defaulting Owner's remaining annual assessment levied and due immediately and interest thereafter accrues as provided under Section 4.11 below on the entire assessment until paid.

4.8.2 Association Lien. Whenever the STSA #1 levies any assessment against a residential unit, for any unpaid assessments as provided in the PCA. Recording of these Bylaws constitutes record notice and perfection of the lien for assessment. No further recording of a claim of lien for assessments or notice of a lien is required to perfect the STSA #1 lien.

At any time an assessment or installment thereof is delinquent, the STSA #1, by and through the Board or any managing agent, may record a notice of lien in the Deed Records of Washington County, Oregon. The notice must be in the form and include the information specified in the PCA. The STSA #1 must record a notice of lien before any suit to foreclosure may proceed as provided in subsection 4.8.3 of this section.

4.8.3 Foreclosure of Lien. The STSA #1, by and through the Board or any managing agent, may file suit to foreclose the lien, notice of which was recorded under subsection 4.8.2 of this section, as provided in the PCA.

In any suit brought by the STSA #1 to foreclose a lien on a Residential Unit because of unpaid assessments, the Owner shall be required to pay a reasonable rental for the use of the Residential Unit during the pendency of the suit, and the plaintiff in the foreclosure suit is entitled to the appointment of a receiver to collect the rental.

The Board, acting on behalf of the STSA #1, has the power to purchase the Residential Unit at the foreclosure sale and to acquire, hold, rent, mortgage, vote the votes appurtenant to (except for the election of a director), convey, or otherwise deal with the Residential Unit.

4.8.4 Suit or Action. The STSA #1 may bring an action to recover a money judgment for unpaid assessments under these Bylaws without foreclosing or waiving the lien described above. Recovery on any action, however, operates to satisfy the lien, or portion thereof, for which recovery is made.



- 4.8.5 Other Remedies. The STSA #1 has any other remedy available to it by law or in equity.
- 4.9 Priority of Lien; Prior Mortgages. The priority of the lien of the STSA #1 against a Residential Unit for assessments shall be governed by the PCA.
- 4.10 Liability for Unpaid Assessments.
- 4.10.1 Owners. An Owner is personally liable for all assessments imposed on Owner or assessed against the residential unit by the Association.
- 4.10.2 Voluntary Conveyance. In a voluntary conveyance of a Residential Unit, the grantee is jointly and severally liable with the grantor for all unpaid assessments against the grantor of the Residential Unit to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the seller the amount paid by the grantee.
- 4.11 Interest, Late Payment Charge and Collection Costs. If any assessment imposed or levied by the STSA #1 pursuant to the provisions of these Bylaws or the Act is not paid within thirty (30) days after its due date, the Owner is obligated to pay:
- 4.11.1 Interest from the due date of the assessment, or such other date as may be specified by resolution of the Board, at the rate of twelve percent (12%) per annum or at such greater rate, not to exceed the maximum lawful rate, if any, as may be established by a resolution of the Board, from time to time.
- 4.11.2 A late charge for each assessment not paid when due as may be established by a resolution of the Board, not to exceed ten percent (10%) of the unpaid assessment.
- All expenses incurred by the STSA #1 in collecting unpaid assessments, including attorneys' fees (whether or not action is brought against the Owner or whether or not a suit to foreclose the lien upon the Residential Unit granted by the Act is instituted, and at trial or any appeal therefrom). All such expenses are additional assessments against the Owner's Residential Unit.
- 4.12 Budget Summary and Statement of Assessments.
- 4.12.1 Statement of Assessments Payable. The Board shall advise each Owner in writing of the amount of assessments payable by the Owner. The Board shall promptly provide to any Owner who makes a request in writing with

a written statement of the Owner's unpaid assessments, provided however, no such statement shall be provided by the Board if an account has been referred to a collection agency or attorney. All communication regarding the debt must then go through the Association's collection representative.

4.12.2 Budget Summary. Within thirty (30) days after adopting the annual budget and any amended budget, the Board shall provide a summary of the budget on which assessments are based to all Owners in accordance with Section 4.2. The Board shall promptly provide to any Owner who makes a request in writing with a copy of the budget, and if requested, to the Owner's mortgagee.

4.12.3 Statement of Assessment Account. In accordance with the PCA, within ten (10) business days of receipt of a written request by an Owner or an Owner's Mortgagee to provide a Statement of Assessment Account, the Board shall provide a statement that contains the following information:

- a. The amount of assessment due from the Owner and unpaid at the time the request was received, including:
  - i. Regular and special assessments;
  - ii. Fines and other charges;
  - iii. Accrued interest; and
  - iv. Late payment charges.
- b. The percentage rate at which interest accrues on assessments that are not paid when due.
- c. The percentage rate used to calculate the charges for late payments or the amount of a fixed charge for late payment.

The STSA #1 is not required to comply with this subsection if the STSA #1 has commenced litigation.

Pursuant to rules adopted, the STSA #1 may charge a fee for providing the information required under this subsection.

4.13 Annual Financial Statement. STSA #1 shall prepare or cause to be prepared an annual financial statement consisting of a balance sheet and income and expense statement for the preceding year, and distribute to each owner and, upon written request, any mortgagee of a unit a copy of the annual financial statement.

The STSA #1 shall cause the financial statement to be reviewed within 180 days following the end of the fiscal year by an independent certified public accountant (CPA) licensed in the state of Oregon in accordance with the statements on standards for accounting and review services issued by the American Institute of Certified Public Accountants.

The STSA #1 may elect, on an annual basis, not to obtain CPA review of the financials by an affirming vote of at least 60% of the owners.

**4.14 Cable Television Service.**

4.14.1 The Board is at all times authorized and empowered, and may, on behalf of the STSA #1, contract with a cable television service provider for the purpose of providing cable television service to each Residential Unit.

4.14.2 Existing Installations and Services. Upon the date of this recording, cable service is installed and operating. Each Residential Unit is provided basic service at the current bulk rate service fees in effect as long as the Board in its sole discretion chooses to contract for bulk cable. However, cable provision is not a guaranteed right. Each Owner or Resident may order, at their own expense, any additional cable services available. All extra services must be paid directly to the Cable Company by the Owner.

4.14.3 Right to Review Cable Contract. Each Owner is subject to the rules and provisions of the bulk contract, a copy of which may be reviewed by any Owner upon written request.

## ARTICLE V

**5.0 Maintenance.**

5.1 Responsibility of Association. The Association is responsible for the following upon each Residential Unit, which constitute common expenses of the Association:

- a. Maintenance: Paint, repair, replace and maintain the roofs of both home and garage, roof flashings, vents, gutters, downspouts, exterior building surfaces including siding.
- b. Paint and repair signage of street address on garage.
- c. Replacement of light bulbs and glass/plastic panels for street post lamps (not street lights maintained by the city); installation of photo sensors controlling the

light over mail slots. Installation of the photo sensors must be done by a licensed electrical contractor.

- d. Perform exterior repairs, maintenance and improvements as the Board of Directors determines from time to time to be necessary or appropriate. The Board shall be at all times authorized and empowered on behalf of the Association to contract for the performance of exterior maintenance in accordance with the Bylaws of the Association.
- e. Landscaping: Maintain landscaping and plantings on the Properties within Backyards, areas in front of courtyards upon all lots, areas between adjacent lots, and areas adjacent to End Units.

5.2 Responsibility of Homeowners. Owners are responsible for all maintenance, repair and replacement of Owner's Residential Unit and to Owner's Lot for which Association is not responsible under Section 5.1 above, including without limitation:

- a. The washing, maintenance and replacement of glass surfaces;
- b. Maintenance, replacement and painting of front lamp posts;
- c. Maintenance, repair and replacement of garage door. The cost of painting of the garage doors is borne by the Unit Owner unless garage painting is required at the time of regular painting. (Paint is furnished by the Association.)
- d. Repair, maintenance and replacement of all concrete on Owners Lot, including curbs, sidewalks, planting strips, and driveways as required by City of Tigard.
- e. Golfing screens, fences, brick, wood, wrought iron, composite and attached gates. Chain link or wire fencing is not permitted.
- f. All owner-installed components, including but not limited to solar tubes, skylights, attic fans, windows, doors, and antennas, as well as any resulting damage from such installation, performance, or any failure to maintain such owner-installed components.
- g. Maintenance of decks and patios to include repair, replace and paint, except the Association shall be responsible for painting the stairway railings during the normal course of exterior building painting.
- h. Maintenance of awnings to include repair and replacement.
- i. Insect and pest control – interior and exterior.

- j. Fireplace and chimney cleaning. Repair and maintenance of heating and air conditioning units.
- k. Maintenance of smoke alarms and carbon monoxide alarms inside homes.
- l. Maintenance of dryer vents.
- m. Maintenance, repair or replacement of all underground utilities servicing the unit which fall between the street and the unit. This includes, but is not limited to, the electrical, gas, water, telephone, TV cable, electrical conductors to the street lamp, and storm and sanitary sewer lines.
- n. Maintenance, repair or replacement of all wiring and plumbing inside home and garage, along with wiring and plumbing inside walls.

5.3 Homeowner Landscaping.

**Architectural and Landscaping changes MUST be approved by the Civic Association and STSA #1. The Civic Association has jurisdiction over landscape and architectural plans and changes. (See Civic Association Landscape/Architectural Manual, and as it may be amended from time to time.)**

The following are owner landscaping maintenance obligations:

- a. Maintenance of landscaping and plantings located within patio, courtyard, and fenced-in areas. Except for lots 114, 115, 116, 117, and 118, this includes sprinkler systems in front yard (outside of courtyard).
  - b. Bark dust or other ground cover.
  - c. The repair, replacement or design changes of landscaping located on Owner's Lot.
- 5.4 If the Board determines the need for maintenance or repairs is caused through the willful or negligent act of the homeowner, his guests, or invitees, to the extent the cost is not covered by insurance proceeds, the cost of such maintenance or repair shall be added to and become a part of the assessment to which such Residential Unit is subject, and shall be a charge against the Owner.
- 5.5 Any and all expenses which may be incurred by the STSA #1 pursuant to this provision, which are the responsibility of the unit owner, shall become a charge and/or lien against the Residential Unit, lot, or parcel involved, and shall become the obligation of the Owner. After a written notice to the owner, the Association shall be empowered to enforce collection of the lien in accordance with the provisions and remedies as set forth in the PCA, to plant, or replant, trim, cut back,

remove, replace, cultivate, or maintain hedges, trees, shrubs, plants, or lawns, and to clean, paint, repair, replace and generally maintain the exterior of a residential unit and improvements thereon, and to keep said lot or residential unit and any residential building and improvements thereon in neat and good order, to conform with general attractive character of the area.

## ARTICLE VI

**6.0 Insurance.** The Board shall obtain and maintain at all times insurance required by the PCA. If reasonably available, the Board may obtain an all risk insurance policy within the provisions specified in the PCA, and as may be amended from time to time. At least every two years the Board shall review the insurance coverage of the Association. The Board shall pay for the same out of common expense funds.

### 6.1 Property Damage Insurance.

6.1.1 The Master Policy of Insurance shall cover 100% of the replacement cost of loss or damage from casualty including, but not limited to, fire and earthquake with Inflation Guard endorsement and "all risk" endorsements and such other coverage as the Board may deem advisable.

6.1.2 For the purposes of any policy of fire insurance, the term "building" shall include fixtures (including cabinets, built-in appliances and plumbing fixtures), installations or additions comprising a part of the building within the perimeter walls, floors and ceilings of the individual Residential Units initially installed or replacement thereof in accordance with the original plans and specifications or installed by or at the expense of any Residential Unit Owner.

6.1.3 The amount of insurance shall be not less than the estimated current replacement cost of the Residential Units covered (exclusive of land, foundation, excavation and other items normally excluded from coverage), subject to a reasonable deductible.

### 6.2 Liability Insurance.

6.2.1 The Master policy shall also include liability insurance coverage insuring the Association, the Board and any manager, agent and employee of the Association against all claims for bodily injury and property damage.

6.2.2 There may be excluded from the policy coverage of an Owner (other than as a member of the Association or the Board) for liability arising out of acts or omissions of the Owner and liability incident to the ownership or use of the part of the Planned Community as to which the Owner has the exclusive use or occupancy.

- 6.2.3 Limits of liability under the insurance maintained under this subsection may not be less than One Million Dollars (\$1,000,000) on a combined single limit basis.
- 6.2.4 Insurance policies obtained under this subsection shall provide that the policy may not be cancelled (whether or not requested by the Board) except by fixing to the Board and to each Owner who has requested notice of the insurer in writing, at least thirty (30) days written notice of cancellation.
- 6.3 Directors' and Officers' Liability Insurance. The Board shall obtain and maintain an endorsement on the Master policy for Directors' and Officers' liability insurance with coverage in the amount of not less than One Million Dollars (\$1,000,000).
- 6.4 Additional Insurance. The Board may obtain insurance against such additional risks as the Board may deem advisable for the protection of the Association, Owners, Directors and Officers.
- 6.5 Additional Requirements of Property Damage Insurance Policy. The policy required under Section 6.1 above shall:
- a. Contain a provision waiving any right of subrogation by the insurer against the Owner of any Residential Unit;
  - b. Contain a provision waiving any right of the insurer to repair, rebuild and replace or to require that the Owner do so; and
  - c. Provide that in the case of any loss, the loss shall be adjusted with the Board.
- 6.6 Insurance Deductible.
- 6.6.1 Determination of Deductible by Board. The Board shall determine the amount of the deductible for the property loss insurance policy, and any other insurance policies required to be obtained and maintained by the Association under these Bylaws or law. In determining the deductible under the policies, the Board, among other factors, shall take into consideration the availability, cost, and loss experience of the Association.
- 6.6.2 Notice. The Board shall give written notice to the Owners of the amount of the deductible under the Association policy and any change in the deductible proposed in renewal or replacement insurance policies, not later than ten (10) days after the effective date of the change.
- 6.6.3 Responsibility for Payment of Deductible. In the event of damage to one or more Residential Units due to the act or neglect of the Owner to take appropriate action, or in the case of negligence of an Owner, the deductible, if any, shall be paid and may be levied against the Owner and collected as

an assessment. A benefitted unit(s) shall pay the deductible for damage to the unit not from negligence.

6.6.4 Responsibility for Payment of Deductible for Earthquake. The deductible for damage from an Earthquake shall be paid by and may be levied against the affected Owners and collected as an assessment. The deductible shall be allocated against an affected Owner based on the amount of damages sustained by the Owner in proportion to the total damage sustained by ALL affected Owners.

6.7 Additional Provisions: Board Resolution

6.7.1 It is the responsibility of each Owner to ascertain and inform him/herself of the terms of coverage under policies obtained and maintained from time to time by the Association and to secure such additional insurance, if any, as they may desire for their further protection.

6.7.2 The Board may adopt by resolution such rules as the Board deems necessary and appropriate to implement this article. The resolution may prescribe, among other things, a procedure for processing insurance claims by and through the Board.

6.7.3 In any event, any loss subject to the Association's Master Policy shall be immediately reported by the Board or its designated agent to the insurer.

6.8 Damage, Destruction and Replacement.

6.8.1 In the event of loss or damage to or destruction of one or more Residential Units or other property, all available insurance proceeds shall be held in trust by the Board to repair, rebuild, or replace the damaged or destroyed property (hereinafter called the work) in accordance with the original plans and specifications, or if the work according to the original plans and specifications is not permissible under the applicable laws and regulations, then in accordance with the other plans and specifications prepared by or for the Board.

6.8.2 In the event of any deficiency between any insurance proceeds and the loss, the deficiency shall be a common expense and allocated among the affected Owners.

6.8.3 To the extent that any loss, damage or destruction to the Residential Units or other property is covered by the Association's insurance, the Board has no claim or cause of action for the loss, damage or destruction against any Owner or tenant, except to the extent of the Owners' responsibility of the



deductible as determined in accordance with these Bylaws and in the discretion of the Board

6.8.4 To the extent that any loss, damage, or destruction to the property of an Owner or tenant is covered by the insurance paid by the Owner or tenant, the Owner or tenant has no claim or cause of action for the loss, damage or destruction against the Board, the managing agent, if any, or the Association.

6.9 Damage Due to Fault of Owner. Subject to Section 6.8 above, if due to the act or negligence of an Owner, or household pet, or a guest or other authorized occupant or visitor of the Owner, damage is caused to a Residential Unit owned by other, or maintenance, repairs or replacements are required which would otherwise be common expense, then the Owner shall pay for the damage and such maintenance, repairs and replacements as may be determined by the Association to the extent not fully covered by the Association's insurance. The cost is an assessment against the Owner and Owner's Residential Unit.

## ARTICLE VII

### 7.0 Owner Meetings

7.1 Regular Annual Meetings. An Annual Meeting of Owners shall be held during the month of June each year, at such time and place the Board shall determine and state in the notice of such meeting.

7.1.1 Owners shall elect new Board Members at the Annual Meeting.

7.1.2 Notice of Annual Meeting shall be posted on the Summerfield Clubhouse bulletin board, and may also be distributed electronically to owners that have not opted out of electronic notice, or in writing to owners at the address of record on file with the Board, not less than 10 nor more than 50 days prior to said meeting.

7.2 Special Meetings.

7.2.1 Special meetings of the Owners may be called not less than 10 nor more than 50 days prior to said meeting by the President of the Board, or upon petition of 30% of the Owners delivered to the Secretary.

7.2.2 All notices of special meetings must be delivered to the Owners and state the place, time and purpose of the Special Meeting.

7.2.3 Special Meetings shall be confined to the purposes stated in the notice.

- 7.3 Quorum. A Quorum for any meeting of STSA #1 consists of the number of persons who are entitled to cast 20% of the votes in STSA #1. If any meeting of STSA #1 cannot be organized because of a lack of Quorum, the Owners who are present may adjourn the meeting from time to time until a Quorum is present.

## ARTICLE VIII

### 8.0 Board of Directors

- 8.1 Number, Qualifications and Term. The property and affairs of STSA #1 shall be managed and controlled by the Board who 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 as directed to be done by the Owners.
- 8.1.1 The Board shall be composed of no more than five (5) and no less than three (3) persons, all of whom must be a member in good standing with STSA #1 as defined in Article I of these Bylaws, and either an Owner or a Co-Owner of a Residential Unit. If the Residential Unit has Co-Owners, only one (1) Co-Owner of that Unit may serve on The Board at any one time. The decision to expand or reduce the number of Board members shall be voted upon and approved by a vote of the majority of Owners present in person or by proxy at a duly called annual or special meeting of the Owners.
- 8.1.2 All members of The Board will serve a term of two (2) years, with staggered terms so that, for example, with a 5-member Board, two (2) Director positions will be up for election one (1) year and three (3) Director positions will be up for election the subsequent year, and so on. The set two (2) year term for each Director shall continue regardless of vacancies and successively elected Directors. The Board will designate which positions each Director will fulfill. Terms of new Board Members begin with announcement of their election at the Association Annual Meeting.
- 8.2 Quorum. At all meetings of The Board, a majority of the existing Board shall constitute a quorum for the transaction of business. The acts of the majority of the Board shall be the acts of the Board. If at any meeting there is less than a quorum present, a majority of those Board Members present may adjourn the meeting from time to time.
- 8.3 Regular Meeting of the Board.
- 8.3.1 A regular meeting of the newly elected and carry-over Board Members shall be held immediately following the Annual Meeting of the membership to elect The Board officers for the coming year.

- 8.3.2 The outgoing President will preside over this meeting until the new President is elected.
- 8.3.3 All other regular meetings of the Board will be held in the Summerfield Clubhouse on a date and time determined by the Board.
- 8.3.4 The notice of the meeting will be posted on the Summerfield Clubhouse bulletin board, and distributed electronically to those owners who have not opted out of electronic notice, or by mail at the last address on record with the Board, not less than 10 days nor more than 50 days in advance of said meeting.
- 8.4 Emergency Meetings of the Board. Emergency meetings may be held without notice, if the reason for the emergency is stated in the minutes of the meeting; and only emergency meetings of the Board of Directors may be conducted by telephonic communication or by the use of a means of communication that allows all members of the Board of Directors participating to hear each other simultaneously or otherwise be able to communicate during the meeting. A member of the Board of Directors participating in a meeting by this means is deemed to be present and in person at the meeting.
- 8.5 Executive Sessions of the Board.
- 8.5.1 The Board may, at their discretion, close a meeting to owners and meet in Executive Session to:
- a. Consult with legal counsel;
  - b. Consider personnel matters, including salary negotiations, employee discipline and negotiation of contracts with third parties;
  - c. Discuss collection of unpaid assessments.
- 8.5.2 Except in the case of an emergency, The Board shall vote in an Open Meeting whether to meet in Executive Session. If the Board votes to meet in Executive Session, the presiding officer of the Board shall state the general nature of the action to be considered.
- 8.5.3 The statement, motion or decision to meet in Executive Session must be included in the minutes of the meeting.
- 8.5.4 A contract or an action considered in Executive Session becomes effective only if the Board, following the Executive Session, reconvenes in Open

Meeting and votes on the contract or an action, which must be reasonably identified in the open meeting and included in the minutes.

8.5.5 The meeting notice requirements of Board meetings may not be circumvented by chance or social meeting or by any other means.

8.6 Recall of a Board Member.

8.6.1 A Board Member may be recalled from office by petition signed by at least 30% of the qualified voters. This petition must be turned over to the STSA #1 Secretary.

8.6.2 Within thirty (30) days of a properly submitted petition, a special meeting of STSA #1 shall be scheduled for the purpose of voting for or against the recall. The special meeting shall be noticed not less than 10 nor more than 50 days before the meeting by electronic notice to owners who have not opted out of electronic notices, or by hand delivery or mailed to the mailing address of each owner or to the mailing address designated in writing by the owner, and to all mortgagees who have requested the notice.

8.6.3 A Director shall automatically be removed from office for conviction of a felony or conviction or misuse of STSA #1 funds.

8.7 Employees and Agents. The Board of Directors shall be empowered to employ such employees and agents and to execute such contract as it may deem necessary to properly carry out its objectives and purposes as stated in these Bylaws.

8.8 Rulemaking. The Board from time to time may adopt, modify, or revoke the Rules and Regulations governing the conduct of persons and the operation and use of Lots and the Common Area as it may deem necessary or appropriate to assure the peaceful and orderly use and enjoyment of the Property and the administration and operation of the Association. A copy of all of the Rules and Regulations, upon adoption, and a copy of each amendment, modification, or revocation thereof, shall be provided to each Owner in the same manner as Notices and shall be binding upon all Owners and Occupants of all Lots upon proper notice.

## ARTICLE IX

### 9.0 Officers.

9.1 Election of Officers. The offices of STSA #1 shall be elected by the Board at the Annual Meeting. Each officer shall hold office for a term of one (1) year and until a successor shall be elected and qualified.

- 9.2 Designation. The officers of STSA #1 shall consist of a President, Vice-President, Secretary, and Treasurer. All Officers shall be members of the Board of Directors.
- 9.2.1 President. The President shall be the chief executive officer and have general and active charge of the management of STSA #1, subject to control by the Board. When present, the President shall preside at all meetings of the Directors. The President shall have the power to appoint and discharge agents and employees, subject to approval of the Directors. The President shall have the power to appoint committees and committee chairs, from among the Owners, to assist in the conduct of the affairs of STSA #1.
- 9.2.2 Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. The Vice President shall also exercise such other powers and perform such other duties as shall be prescribed by the Directors.
- 9.2.3 Secretary. The Secretary shall give such notice of meetings of the Board as required by these Bylaws. The Secretary shall keep a record of the proceedings of all meetings and have custody of all books, records and papers of STSA #1, except those which are in the care of the Treasurer or some other person authorized by the resolution of the Board. The Secretary is authorized to sign, with the President or Vice President, in the name of STSA #1 all official documents, papers, deeds and contracts, including those in any way affecting the property or interests of STSA #1.
- 9.2.4 Treasurer. The Treasurer shall account for all the monies of STSA #1, received and disbursed, unless a professional managing agent is hired by the Board, in which case that responsibility may be delegated to the managing agent. The Treasurer shall deposit all the monies in the name of and to the credit of STSA #1 in such banks and depositories as the Board shall designate. All funds are subject to withdrawal in the manner determined by the Board and subject to safely keep all valuables of STSA #1. The Treasurer shall make reports to the Board as may be required, and shall perform such other duties as the Board shall delegate.
- 9.2.4.1 The signatures of not less than two (2) Officers shall be required on any check or draft withdrawal slip, or other form of charge upon or against any monies or other funds belonging to STSA #1, unless a professional managing agent is hired by the Board, in which case the Board may appoint the managing agent as one of the signators.
- 9.2.4.2 Each Officer authorized or empowered to sign any such check or draft, withdrawal slip or form or charge shall be fidelity bonded in an amount not less than the aggregate of the current assets of STSA #1.

9.3 Removal of Officers.

9.3.1 An officer shall be subject to removal at any time by a vote of the majority of the entire Board whenever, in the judgment of The Board, the best interests of STSA #1 will be served by such removal.

9.3.2 A Board member who is not able to fulfill their duties for three (3) consecutive months will be asked by the Board to resign.

9.4 Vacancy.

9.4.1 Any vacancy in an elected Board position, prior to completion of the term for which that Director was elected, shall be appointed by the remaining Directors, whether or not a quorum exists.

9.4.2 The appointment by the Directors will be done after the vacancy has been accepted at a Member Board Meeting.

9.4.3 During the time of a vacancy, the remaining Directors shall possess, and may exercise, all powers vested in The Board.

**ARTICLE X**

**10.0 Amendments.** These Bylaws may be amended by a majority vote of the Board at any regular or special Board meeting.

DATED this 29 day of November, 2016.

SUMMERFIELD TOWNHOUSE SERVICE ASSOCIATION NO. 1

By: Glenn D. Hill, President  
By: Sally Stewart, Secretary

CERTIFICATION

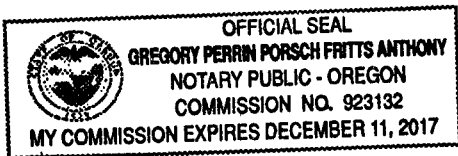
The undersigned President and Secretary of the Summerfield Townhouse Service Association No. 1, an Oregon nonprofit corporation, hereby certify that the Amended and Restated Bylaws of Summerfield Townhouse Service Association No. 1 have been approved and adopted pursuant to Article VIII of the Bylaws and ORS 94.625.

Gloria J Hill, President

Sally E Stewart, Secretary

STATE OF OREGON )  
County of Washington ) ss.

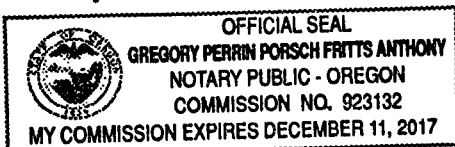
On this 29 day of November, 2016, personally appeared before me the above-named Gloria J Hill, who, after being duly sworn, did say that she is the President of Summerfield Townhouse Service Association No. 1, and that said instrument was signed on behalf of said company by authority of its Members; and she acknowledged said instrument to be its voluntary act and deed.



[Signature]  
Notary Public for Oregon  
My Commission Expires: Dec 11, 2017

STATE OF OREGON )  
County of Washington ) ss.

On this 29 day of November, 2016, personally appeared before me the above-named Sally E Stewart, who, after being duly sworn, did say that she is the Secretary of Summerfield Townhouse Service Association No. 1, and that said instrument was signed on behalf of said company by authority of its Members; and she acknowledged said instrument to be its voluntary act and deed.



[Signature]  
Notary Public for Oregon  
My Commission Expires: Dec 11, 2017

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