

PALISADES LAKE ESTATES HOMEOWNERS ASSOCIATION

BY-LAWS

ARTICLE I. NAME

1. Name. The name of the organization will be the Palisades Lake Estates Homeowners Association (the "Association").

ARTICLE II. PURPOSE

1. Organization. These by-laws govern the organization and operation of the Association, which is a nonprofit Oregon corporation operating under Articles of Incorporation filed with the State of Oregon.
2. Purposes. The purpose of the Association is to carry out the functions of the Association in accordance with its Articles of Incorporation and the Declaration of Reservations, Restrictions and Covenants (the "Covenants and Conditions") which have been filed and apply to Lots 1 through 19, in the subdivision known as The Palisades Lake Estates, City of Lake Oswego, County of Clackamas, State of Oregon.
3. Covenants and Conditions. The Covenants and Conditions are fully incorporated by reference in these by-laws. In the event of any conflict between the provisions of these by-laws and the Covenants and Conditions, the provisions of these by-laws shall prevail.

ARTICLE III. MEMBERSHIP

1. Members. The owner of each lot shall be a member of the Association. There shall be one membership per lot. In the event that a homeowner owns more than one lot, the homeowner shall be entitled to a single membership in the Association and shall be treated in all respects as the owner of a single lot.

ARTICLE IV. MEETINGS; QUORUM; VOTING

1. Annual Meeting. There will be an annual meeting of the Association, to be held in the first two weeks of the month of March, for the purpose of electing Directors, approving an annual budget, reviewing annual financial statements, and conducting such other business as shall come before the membership.
2. Special Meetings. Special meetings may be called at the request of three or more members, or at the request of the Executive Board. Requests for special meetings by the members may be filed with any Officer or Director of the Association.

3. Notice. Notice of all membership meetings shall be provided in writing seven (7) days prior to the meeting and may be given by first class mail, or by hand delivery to the member.

4. Quorum. Fifty percent (50%) of the members shall constitute a quorum for the purpose of conducting business. A majority vote of the members constituting the quorum at such a meeting shall be sufficient for the resolution of any matter coming before the membership, except as otherwise provided herein.

5. Proxy Voting. For any matter coming before the membership which has been fully described in the meeting notice, a quorum may consist of members present or voting by written proxy.

6. Written Ballots. Voting by written ballot as permitted by Oregon statutes shall also be allowed. Where a vote is to be by written ballot, the proposed ballot shall be distributed to the members by hand or first class mail and shall specify the specific matters to be voted upon, the time limit within which the vote must be cast, the manner in which the ballot must be delivered to the Association, and provide the opportunity to vote in favor or against. Written ballots received within the allotted time limit shall be the basis for determining whether the quorum requirements have been met.

7. Voting. Each member of the Association shall be entitled to one vote.

ARTICLE V. DIRECTORS

1. Directors. There shall be no less than three (3) nor more than five (5) Directors of the Association to be elected by the membership at the annual meeting.

2. Terms. The term of office for the Directors shall be three (3) years. Terms of the Directors will be staggered over the three year period such that no more than two Directors' terms expire in any one year.

3. Resignations and Replacements. A Director may resign by submitting a written notice to the Executive Board. Replacements may be made by appointment of the President for the unexpired term of the resigning Director, subject to a vote of the members at the next succeeding meeting of the membership.

4. Removals. Any Director or Officer may be removed by a majority vote of the members present at the Annual meeting or any Special meeting of the members called pursuant to these by-laws.

5. Executive Board. The Directors of the Association shall constitute an Executive Board and shall be responsible for the conduct of the affairs of the Association on a day-to-day basis.

6. Powers. The Executive Board shall have all the powers authorized by Oregon statutes for the conduct of business, including but not limited to, the power to hire and terminate managing agents, make contracts and incur liabilities for the Association, impose late fees for dues payments, initiate and defend litigation, and any other such powers required for the administration of the Association, subject only to limitations imposed by the by-laws or the Covenants and Conditions.

ARTICLE VI. OFFICERS

1. Officers. The Officers of the Association shall consist of a President, Vice-President, and Secretary-Treasurer. Officers shall be elected by the Directors at the next succeeding meeting of the Executive Board following the Annual meeting of the membership. Officers shall serve for one year.

2. President. The President shall chair all meetings of the Association and the Executive Board and shall perform all such duties required to assure the continued effective functioning of the Association.

3. Vice-President. The Vice-President shall act in the absence of the President and shall perform such other functions as are assigned by the President.

4. Secretary-Treasurer. The Secretary-Treasurer shall be responsible for maintaining the books of the Association, including all records of meetings and notices.

ARTICLE VII. ADMINISTRATION; ASSESSMENTS

1. Dispersals. Any document binding the Association or dispersing the funds thereof shall require the signatures of two (2) Officers of the Association. Any two (2) Officers may fulfill this requirement.

2. Assessments. The Executive Board shall have all the powers of the Association to collect assessments required to operate the Association within the approved budget.

3. Dues. The dues shall be \$50 per month. Any assessment requiring dues or other special assessments in excess of this amount shall require approval of two-thirds (2/3) of the members of the Association.

4. Annual Expenditures. The Executive Board is authorized to incur expenses at levels equal to or less than the revenue generated by the annual dues. Expenditures in excess of that amount must be specifically approved by the members.

5. Collections. The Association shall have all the rights and authorities to collect assessments in accordance with the provisions of the Covenants and Conditions.

6. Land Use. The Executive Board shall serve as the Palisades Lake neighborhood committee for all purposes of implementing the Covenants and Conditions, including the provisions of Article I, Paragraph 3 of the Covenants and Conditions relating to approval of construction and landscaping plans.

ARTICLE VIII. AMENDMENTS

1. Amendments. These By-Laws may be amended by a majority of the members at any meeting in which a quorum is present, except that any change to ARTICLE VII, Section 3, shall require the approval of two-thirds (2/3) of the members of the Association.

These amended By-Laws approved by the membership this 4th day of November, 1993.