

BYLAWS
OF
WESTWOOD III TOWNEHOMES HOMEOWNERS

ARTICLE I

PURPOSE

The purposes of the WESTWOOD III TOWNEHOMES HOMEOWNERS ASSOCIATION (hereinafter referred to as the "Association") shall be to provide for the maintenance, preservation and architectural control of the resident Lots and Common Area included in the real property described at Exhibits "A" and "B" hereto and any addition thereto, and to promote the health, safety and welfare of the residents thereon:

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to WESTWOOD TOWNEHOMES HOMOEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Common Area" shall mean and refer to all real property and any improvements thereon shown on any recorded plat of the "Property" and intended to be devoted to the common use and enjoyment of the "Owners."

Section 3. "Declaration" shall mean the Declaration of Protective Covenants, Conditions and Restrictions of Westwood III Townehomes applicable to the "Property."

Section 4. "Developer" shall mean and refer to Westleigh Partners, a partnership consisting of Benchmark Northwest, Inc., an Oregon corporation, Summit Group, Inc., and Oregon corporation, and Dukes and Dukes Construction, Inc., an Oregon corporation, 1282 W "D" St., Eugene, Oregon 97477, its successors and assigns if such successors and assigns should acquire more than one undeveloped "Lot" from the Developer for the purpose of development.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the "Property" with the exception of the Common Area.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple interest to any Lot which is part of the Properties including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Property" shall mean and refer to the above-described real property and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING

Section 1. Membership in the Association. Every Owner of record of a fee or undivided fee interest in a Lot which is subject to assessment by the Association pursuant to the Declaration shall be a member of the Association; provided, a party who hold such interest merely as security for the performance of an obligation shall not be a member of the Association. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot which is subject to assessment by the Association. Transfer of ownership of a Lot automatically transfers membership in the Association.

Section 2. Voting. The Association shall have one class of voting membership, which shall be all owners of Building Lots within Westwood P.U.D. and shall be entitled to one vote for each Lot owned.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of the 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 8:00 p.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 2. 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 members possessing ten percent (10%) of the outstanding total votes.

Section 3. Proxies. 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 after one year unless coupled with an interest.

Section 4. Voting by Mail. Members may vote at any meeting called for a specific purpose or purposes by mail response "for" or "against" the issue or "for" a specific person for an office.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed by a Board of not less than three (3) nor more than seven (7) directors who must be residents of the Association. For residents who are not Association members, they must either be residing family of a member, or a resident in good standing for at least two full years. A majority of the Board members must always be members or family of members. A meeting of the members of the Association shall be held for the purpose of determining

the number of directors to serve on the Board. Said determination, and any subsequent increase or decrease in the number of directors, shall require a majority vote of members present at the meeting.

Section 2. Term. Each Director shall serve for a term of two (2) years; provided, that the initial elected Board of Directors shall consist of a number of directors equal to one more than a majority who will serve for two (2) years and a number of directors equal to one less than a majority who will serve for one (1) year only. Thereafter, all directors shall serve for the above-mentioned two-year term, subject to the remaining provisions of this Article V.

Section 3. Method of Nomination. Candidates for election shall file a petition of candidacy, signed by not less than two (2) members, with the existing Board of Directors at least three weeks before the annual meeting. The Board of Directors shall provide all members with a ballot containing the names of all bona fide candidates not less than ten (10) days before the annual meeting. Additionally, the Board of Directors may appoint an Elections Committee pursuant to Article IX, Section 1, to place names of members in nomination. The ballot containing the names of bona fide candidates will include the members nominated by the Elections Committee.

Section 4. Method of Election. Election shall be by written ballot at the annual meeting. Members may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. Cumulative voting is not permitted. Those persons receiving the largest number of votes shall be elected.

Section 5. Resignation and Removal. The unexcused absence of a director from three consecutive regular meetings of the Board shall be deemed a resignation. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association.

Section 6. Vacancies. In the event of a death, resignation or removal of any elected director, his successor shall be selected by the remaining elected directors and shall serve for the unexpired term of his predecessor.

Section 7. Compensation. No director shall receive compensation for any service he/she may render to the Association. However, any director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

Section 8. Quorum. A quorum shall be a simple majority of all elected directors. A majority of those present at any meeting shall pass all motions except as set out herein otherwise.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held without notice, at such place and hour as may be fixed from time to time by resolution of the Board, and may be telephonic in nature.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) exercise for the Association all powers, duties and authority vested in or delegated to this Association by law, its Articles of Incorporation, the Declaration or any Supplementary Declaration and Additional Declaration of Protective Covenants and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration.

(b) employ a manger, an independent contractor or such other employees or agents as it deems necessary, and to prescribe their duties.

Section 2. Duties. The Board of Directors shall have the duty to:

(a) adopt and publish rules and regulations including fees, if any, governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to include these in a Book of Resolutions;

(b) suspend the right to use the Common Area with respect to an Owner during any period in which said Owner shall be in default for more than 30 days after notice in the payment of any assessment levied by the Association. Such right may also be suspended for members, after notice and hearing, for a period not to exceed 60 days for infraction of the Declaration of the Book of Resolutions;

(c) cause to be kept a complete record of all its corporate affairs including the Book of Resolutions, make such records available for inspection of any member or his/her agent and present and annual statement thereof to the members;

(d) supervise all officers, agents and employees of the Association and see that their duties are properly performed;

(e) issue, upon demand by any member, a certificate setting forth whether or not any assessment has been paid and giving evidence thereof, for which a reasonable charge may be made;

(f) designate depositories for Association funds, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Association, and cause such persons to be bonded, as it may deem appropriate;

(g) hold a public hearing on the proposed annual budget and approve the annual budget;

(h) fix annual general assessments at an amount sufficient to meet the obligations imposed by the Declaration and all Supplementary Declarations;

(i) set the date(s) assessments are due, decide what, if any, interest rate is to be applied to assessments which remain unpaid thirty (30) days after they become due;

(j) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the due date of the assessment or first installment thereof;

(k) cause the lien against any Lot for which assessments are not paid within thirty (30) days after due date to be filed and foreclosed and/or cause an action at law to be brought against the Owner personally obligated to pay the same;

(l) cause the Common Area to be maintained and pay all local taxes, as applicable;

(m) procure and maintain in effect such casualty, flood, liability and hazard insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by the Federal National Mortgage Association and Government National Mortgage Association, so long as either is a mortgagee or owner of a lot within the project, except to the extent such coverage is not available or has been waived in writing by the Federal National Mortgage Association or Government National Mortgage Association;

(n) enter into mortgage agreements, give security and obtain capital debt financing subject to the provisions of the Declaration;

(o) appoint such committees as described in Article IX.

ARTICLE VIII

OFFICERS

Section 1. Enumeration of Offices. The officers of this Association may be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board of Directors may create from time to time by resolution. Only the offices of President and Secretary are mandatory.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

Section 6. Multiple Offices. The offices of President and Secretary may not be held by the same person.

Section 7. Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors and of the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes and contracts as the Board may approve from time to time.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, may be required of him/her by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; maintain the Book of Resolutions; serve notices to members as provided in Article X; keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(d) Treasurer. The Treasurer shall cause all monies of the Association to be deposited in appropriate accounts and disbursed therefrom as directed by resolution of the Board of Directors, shall co-sign any promissory notes; keep proper books of account; cause the Association books to be closed annually by a certified public accountant at the completion of each full fiscal year; and shall be the chief officer responsible for the preparation of annual budget and a statement of income and expenditures to be presented to the Board of Directors and to the membership at its regular meetings.

ARTICLE IX

COMMITTEES

Section 1. Elections Committee. The Board shall appoint an Elections Committee no later than two months prior to the annual meeting date. The Committee shall consist of a chairman, who may not be a director, and at least four members, none of whom shall be candidates for office. It shall be the duty of the Committee to nominate a slate of directors for each annual meeting of members and to provide supervision of the nominations by members and election of directors in accordance with procedures adopted by the Board and placed in the Book of Resolutions.

Section 2. Other committees. The Board shall appoint such other committees it deems appropriate to carrying out its purpose.

Notice for all meetings of Owners shall be provided to Owners at least fifteen (15) days and not more than sixty (60) days prior to such meeting.

Notice of meetings shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. The notice may contain the issue or issues to be voted upon by mail or the candidates for office to be voted upon by mail.

ARTICLE XI

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each officer and director of the Association in consideration of their services as such, shall be indemnified by the Association to the extent permitted by Oregon law against expenses and liabilities reasonably incurred by him/her in connection with the defense of any action, suit, or proceeding, civil or criminal, to which he/she may be a party by reason of being or having been a director or officer of the Association, except to the extent such expenses and liabilities are covered by any type of insurance. The foregoing right of indemnification shall not be exclusive of any other rights to which the director or officer or person may be entitled by law, or agreement, or vote of the members or otherwise.

ARTICLE XIII

AMENDMENT

Section 1. These Bylaws may be amended:

(a) By a vote of two-thirds (2/3) of the Directors at any meeting of the directors duly called for that purpose providing notice of the meeting has been given to the members at least fifteen (15) days prior to the meeting; or

(b) At the annual meeting of the members, by a vote of a majority of the votes of the members who are voting in person or by proxy.

Section 2. In the 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 or the Articles of Incorporation, the Declaration shall control.

I, the undersigned, being the Secretary of WESTWOOD III TOWNEHOMES HOMEOWNERS ASSOCIATION, do hereby certify the foregoing to be the Bylaws of said corporation, as adopted by the Board of Directors on the _____ day of _____, 1995.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto set its hand and seal this _____ day of _____, 1995.

BENCHMARK NORTHWEST, INC.
an Oregon corporation

SUMMIT GROUP, INC.
an Oregon corporation

By _____
President

By _____
Secretary

DUKES and DUKES CONSTRUCTION INC.
an Oregon corporation

By _____
President

STATE OF OREGON)
) ss. _____, 1995.
County of Lane)

Personally appeared Patrick Rauber, who being duly sworn did say that he is the President of Westwood III Townehomes Homeowners Association, and that the foregoing instrument was signed and sealed in behalf of said association and he acknowledged said instrument to be its voluntary trust and deed.

BEFORE ME:

NOTARY PUBLIC FOR OREGON

My commission expires: _____

STATE OF OREGON)
) ss. _____, 1995.
County of Lane)

Personally appeared Patrick Rauber, who being duly sworn did say that he is the President of Summit Group, Inc., and that the foregoing instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be its voluntary trust and deed.

BEFORE ME:

NOTARY PUBLIC FOR OREGON

My commission expires: _____

STATE OF OREGON)
) **ss.**
County of Lane)

_____, 1995.

Personally appeared David Dukes, who being duly sworn did say that he is the President of Dukes and Dukes Construction, Inc., and that the foregoing instrument was signed and sealed in behalf of said association and he acknowledged said instrument to be its voluntary trust and deed.

BEFORE ME:

NOTARY PUBLIC FOR OREGON

My commission expires: _____