

For other than emergency meetings, notice of Board of Directors meetings shall be posted at a place on the property at least three (3) days prior to the meeting or notice shall otherwise be provided to each Member of the Association reasonably calculated to inform all Members of such meeting. The posting of such notice shall be at a reasonable location which has been generally publicized to the Owners.

Section 4.16 Emergency Meetings.

Emergency Meetings may be held without notice if the reason for the Emergency Meeting is stated in the Minutes of the meeting. In the event of an Emergency Meeting, the Board of Directors may conduct the meeting by telephonic communication. Such telephonic meetings shall be carried on by means of a "conference call" in which each Director may speak with any of the other Directors. The Directors shall keep telephone numbers on file with the President of the Association to be used for telephonic meeting of the Board of Directors. No notice to either Directors or Association Members shall be required for a telephonic meeting of the Board of Directors to be held for any emergency action; provided, however, no such telephonic meeting shall occur unless at least seventy-five percent (75%) of the Board of Directors participate in the same and after an attempt has been made to call each Director at the telephone number maintained on file with the Board of Directors for such purpose.

Section 4.17 Compensation of Directors.

No Director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by vote of the Owners.

ARTICLE 5. OFFICERS

Section 5.1 Designation.

The principal Officers of the Association shall be a President, Vice-President, Secretary and Treasurer.

Section 5.2 Election of Officers.

The Officers of the Association shall be elected by the Board of Directors from its Members, and shall hold office at the pleasure of the Board.

Section 5.3 Removal of Officers.

Upon an affirmative vote of a Majority of the Members of the Board of Directors, any Officer may be removed, either with or without cause, and his or her successor elected at any regular or special meeting of the Board of Directors.

Section 5.4 President.

The President shall be the Chief Executive Officer of the Association. The President shall preside at all meetings of the Association and Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to, the power to appoint committees from among the Owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5.5 Vice President.

The Vice President shall act in the stead of the President if the President is unable or fails to act.

Section 5.6 Secretary.

The Secretary shall keep the Minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he or she shall have charge of such books and paper as the Board of Directors may direct; and he or she shall, in general, perform all the duties incident of the office of the Secretary.

Section 5.7 Treasurer.

The Treasurer shall have responsibility for Association funds and securities not otherwise held by the managing agent as directed by the Board of Directors, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

Section 5.8 Directors as Officers

Any Director may be an Officer of the Association.

ARTICLE 6. OBLIGATION OF THE OWNERS.

Section 6.1 Assessments.

All Owners are obligated to pay assessments imposed by the Association to meet all the Association's general common expenses as more particularly set forth in the CCRs. Assessments shall be payable on a periodic basis, not more frequently than monthly, as determined by the Board of Directors.

Section 6.2 Special Assessments.

Special assessments or charges may be levied as described in the CCRs.

Section 6.3 Default.

Failure by an Owner to pay any assessment of the Association when due shall be a default by such Owner of his or her obligations pursuant to these Bylaws, the CCRs and the Oregon Planned Community Act. The Board of Directors may, at its option, impose an interest rate, late charge, collection costs, attorney's fees, or any other appropriate mechanism for monthly assessment not paid when due. The Association shall be entitled to any remedy at law, including a lien which may be enforced upon compliance with the provisions of the Oregon Planned Community Act and the CCRs. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting Owner for the use of his or her Lot or shall be entitled to the appointment of a receiver. Any default by the Owner under any provisions of these Bylaws or the Oregon Planned Community Act shall be deemed to be a default by the Owner of any mortgage to which the Owner is a party or to which the Lot is subject.

ARTICLE 7. OCCUPANCY RESTRICTITON; RULES OF CONDUCT

Failure by an Owner (his family, invitees or lessees) to comply with the rules of conduct and restrictions set forth in the CCRs, these Bylaws or others promulgated by the Board of Directors shall be cause, for which the Board of Directors may enforce any of the options available to them as set forth in the CCRs.

Section 7.1 Rentals.

Rentals of building for less than thirty (30) days are prohibited. This provision is intended to prohibit short term rentals of buildings. It is the intent of the Association to insure buildings are Owner occupied or rented on a long term basis.

Section 7.2 Additional Rules.

Rules and regulations concerning other use of the Property may be made and amended from time to time by the Board of Directors. Copies of such rules and regulations will be furnished to all Owners and residents of the Project, upon passage and upon request.

ARTICLE 8. INSURANCE

The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in the amounts referred by Oregon Planned Community Act or as determined by the Board of Directors from time to time.

ARTICLE 9. AMENDMENT

These Bylaws may be amended at any time by an instrument approved by at least a Majority of the Owners. Any amendment must be executed and certified as provided by law; provided, however, no amendment of the Bylaws my effect an amendment of the

CCRs or the Articles of Incorporation without compliance with the provisions of such documents and the Oregon Nonprofit Corporation Act.

ARTICLE 10. COMPLIANCE

These Bylaws are intended to comply with the provisions of the Oregon Planned Community Act. In case any of the provisions conflict with the provisions of said statutes, the statutory provisions shall apply. In case of any conflict between the provisions and the CCRs, the provisions of the CCRs shall apply.

ARTICLE 11. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS.

The Association shall indemnify any Director, Officer, and may indemnify any employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by the Association) by reason of the fact that he or she is or was a Director, Officer, employee or agent of the Association or is or was serving at the request of the Association as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of no contest or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe his or her conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action suit or proceeding as and when incurred, subject only to the right of the Association, should it be proven at a later time that said person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a Director or Officer shall have a right of contribution over and against all other Directors or Officers and Members of the Association who participated with or benefited from the acts which created said liability.

ARTICLE 12. ASSESSMENT COLLECTION COSTS; SUITS AND ACTIONS

Owners shall be obliged to pay reasonable fees and costs including, but not limited to, attorney fees incurred in connection with efforts to collect any delinquent unpaid assessments. In addition to the monthly assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines and interest imposed pursuant to Oregon law. In the event suit or action is commenced by the Directors for the collection of any amounts due pursuant to these Bylaws or for the

enforcement of any provisions of the CCRs, Bylaws or the Oregon Planned Community Act, the Owner or Owners, jointly and severally, will in addition to all other obligations, pay the costs of such suit or action, including reasonable attorney fees to be fixed by the trial court and, in the event of an appeal, the cost of the appeal, together with reasonable attorney fees in the appellate court to be fixed by such court.

ARTICLE 13. WAIVER

No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have abrogated or been waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

These Bylaws have been adopted by Vernon C. Palmer, Inc. Declarant of Lewis and Clark Townhome Home Owners Association, Inc.

Dated this _____ day of March, 2004.

Lewis and Clark Townhomes
Homeowners Association, Inc.

Vernon C. Palmer