

**BYLAWS OF
Coburg Mountain Estates Home Owners Association**

ARTICLE 1

PLAN OF LOT OWNERSHIP; DEFINITIONS

1.1 Bylaws Applicability. These Bylaws for the Coburg Mountain Estates Home Owners Association (“Association”) apply to the Lots and the areas identified below within the Coburg Mountain Estates subdivision, a planned community in Linn County, Oregon. The Coburg Mountain Estates subdivision properties are further subject to the Declaration of Conditions, Covenants, and Restrictions (the “Declaration” or “CC&Rs”). The Declaration is recorded in Document No. _____ in _____ in the Linn County, Oregon, Recorder’s Office.

1.2 Lots; Property. The Lots and any common area or land held by the Association may be collectively referred to in these Bylaws as the “Property” or “Project” and the Lots individually as a “Lot” or collectively as the “Lots.” There are currently 10 Lots as part of the Property. Subdivision Plat for Coburg Mountain Estates’ subdivision is filed at _____, in the Linn County, Oregon, Surveyor’s Office (“Subdivision Plat Map”).

1.3 Personal Application. All present or future Owners, tenants, occupants, their employees, and any other person that might occupy any portion of the Property in any manner are subject to the provisions set forth in these Bylaws. The acquisition, rental, or occupancy of any of the Lots constitutes acceptance and ratification of these Bylaws and agreement to comply with all the provisions hereof. An Owner is responsible for a tenant, occupant, employee, guest, or invitee’s compliance with these Bylaws.

1.4 Definitions. Capitalized terms used but not defined herein have the meanings attributed to them in Article 1 of the Declaration. Additional terms include:

1.4.1 “Declarant” means James Olsen and District Row, LLC, together referred to as Declarant.

1.4.2 “Roadway Easement” means the 60-foot wide driveway beginning at Mt. Tom Drive, a County public right of way, through the adjacent property, entering the Coburg Mountain Estates’ subdivision at Lot 1, based on the easement at **Document No. 2022-08021** in the Linn County, Oregon Recorder’s Office. From Lot 1, it continues south to the southeast corner of Lot 3, running west along the southerly 60 feet of Lots 3, 4, 5, 6, 7, 8, and 9 of the Coburg Mountain Estates subdivision. The easement area shall further include any roadway later developed within Lot 10 Coburg Mountain Estates Subdivision, Linn County, Oregon, on the south sixty feet of Lot 10 Coburg Mountain Estates Subdivision Linn County, Oregon. Except for the portion that may later run through Lot 10, the roadway is depicted on the Subdivision Plat Map as an easement for the benefit of all the Lots in the Coburg Mountain Estates’ Subdivision, burdening the Lots in which the Roadway Easement benefits. Roadway Easement further includes all improvements within the 60-foot roadway for common usage of the Lots, including

utilities, gates, landscaping, and surface improvements, including curbs, gutters, and storm drainage.

1.5 Oregon Planned Community Act. The Property, all Lots and Owners thereof, and the Association and all Members thereof are subject to the Oregon Planned Community Act (ORS 94.550–94.783) (the “PCA”). These Bylaws are intended to comply with the provisions of the PCA. In case of any conflict among the provisions of the PCA, the Articles, the Declaration, or these Bylaws, the provisions of the PCA will control over those of the Articles and Declaration, and the provisions of the Declaration will control over those of the Articles and these Bylaws.

ARTICLE 2

ASSOCIATION MEMBERSHIP; VOTING; MAJORITY OF OWNERS; QUORUM; PROXIES

2.1 Membership in the Association. Upon recordation with the County of a deed or memorandum of a land sale contract conveying a Lot, the grantee or contract purchaser named in the deed or contract will automatically be and will remain an “Owner” or “Member” of the Association until such time as the person’s ownership ceases for any reason. For all purposes of the Declaration and the administration of the Property, “Owner” shall mean and refer to the owner of record as shown on the Assessor’s Office of Linn County, whether one or more persons or entities that hold fee simple title or contract vendee interest to any Lot which is part of the Properties excluding those having such interest merely as security for the performance of an obligation which includes land sale contract vendors. No other person will be recognized as an Owner unless a copy of the deed or contract has been filed with the Association showing the Owner to be the current Owner or contract purchaser of a Lot. Notwithstanding the foregoing, Declarant is the Owner of all previously unsold Lots, although no deed or land sale contract with respect to such Lots has been filed with the Association.

2.3 Voting Rights. The Association has one class of voting Members. A Member is eligible to Vote if they are an Owner. Only one Member/Owner may vote on behalf of any Lot.

2.3 Majority of Owners. As used in these Bylaws, the term *majority* means those Owners holding over 50 percent of the voting rights allocated to the Owners in accordance with the Declaration and Section 2.2 above. *Majority of Owners present* means Owners holding over 50 percent of the votes present at any legal meeting.

2.4 Quorum. Except as otherwise provided in these Bylaws or ORS 94.655(3) or (4), the presence in person or by proxy of Owners holding 35 percent or more of the outstanding votes in the Association, as defined in Section 2.2 of this Article, will constitute a quorum.

2.5 Voting; Proxies. Owners may cast votes in person, by written ballot, by proxy, or if allowed by the Board of Directors, by electronic ballot in accordance with ORS 94.661. Proxies must be filed with the Secretary of the Association (“Secretary”) before or during the appointed meeting. A proxy will expire one year 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 forth in the notice calling the meeting. Unless withdrawn, a proxy given to another person to vote at a specific meeting will also be valid at an adjourned meeting called under the provisions of Section 3.8. The Association will retain proxies and ballots for one year from the date of the determination of the vote.

2.6 Authority to Vote. All Owners (but only one Owner per Lot), including those who have leased their Lot to a third party, will be entitled to vote. A purchaser under a land sale contract entitled to

immediate possession of the Lot will be deemed the Owner thereof unless otherwise provided in the contract. An Owner's right to vote may not be permanently revoked. However, an Owner who has an assessment balance in arrears owed to the Association at the time of the vote is not eligible to vote until such arrears are cured.

2.7 Fiduciaries, Joint Owners; Protest. An executor, administrator, guardian, or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any Lot owned or held by an Owner in such capacity, whether or not the Lot has been transferred to the person's name, as long as the person has satisfied the Secretary (in the Secretary's reasonable discretion) that the person is the executor, administrator, guardian, or trustee holding the Lot in such capacity. Whenever any Lot is owned by two or more persons jointly according to the records of the Association, the vote of the Lot may only be exercised by one of the Owners then present in the absence of protest by a co-owner. In the event of a protest, no one co-owner will be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of the Lot will be disregarded for all purposes except for determining whether a quorum is present.

ARTICLE 3

ADMINISTRATION

3.1 Association Responsibilities. The Owners constitute the Members of the Association. Except as otherwise provided in the Declaration or these Bylaws, decisions and resolutions of the Association will require approval by a majority of the Owners present at any legal meeting. A legal meeting is one duly called under these Bylaws at which a quorum is present, in person or by proxy at a formal gathering or, if a vote is taken by written ballots when ballots are returned representing more than 50 percent of the vote unless a larger vote is required to approve a ballot item, in which case the quorum requirements will be the number of votes required to approve the proposal.

3.2 Place of Meetings. Formal meetings of the Association must be held at suitable places reasonably convenient to the Owners, as may be designated by the Board of Directors of the Association (the "Board"). If a vote is taken by written ballot, the Board must count the returned written ballots within 48 hours of the ballot return deadline. Each Owner must be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned within 15 days after the ballot return deadline.

3.3 Turnover Meeting. Declarant must call a meeting (which will be the initial meeting) for the purpose of turning over administrative control of the Association from Declarant to the Members within 90 days after the earliest of the following dates (the "Termination Date"):

3.3.1 Based on Lot Sales. The date on which 100 percent have been sold and conveyed to Owners other than Declarant or

3.3.2 Earliest Date. The date on which Declarant delivers written notice to the Association of its intention to turn over administrative control to the Members.

Declarant will give notice of the Turnover Meeting to each Owner as provided in these Bylaws. If Declarant does not call the meeting as required under this Section 3.3, any Owner may do so.

At the Turnover Meeting, Declarant must relinquish control of the administration of the Association, and the Owners must assume such control and must elect the Board in accordance with the provisions of Article 4 of these Bylaws. Additionally, Declarant must deliver to the Association all

business and financial records, together with all Association bank accounts, funds, and other assets, as required by ORS 94.616. The Turnover Meeting may not be conducted by written ballot.

3.3 Annual Meetings. The Board will meet annually. Board meetings may be conducted as electronic meetings if such meetings allow the participation of all board members in accordance with ORS 94.644. The Board, in its discretion, from time to time, may change the meeting date as long as the meeting is held annually. At the meetings, the Owners must elect new members of the Board in accordance with the requirements of Section 4.7 of these Bylaws to replace those Directors whose terms have expired. The Owners also may transact such other business of the Association as may properly come before them. Annual meetings of the Association may not be conducted by written ballot.

3.4 Special Meetings. The President must call a special meeting of the Owners if so directed by a resolution of the Board or a petition, presented to the Secretary and signed by 30 percent or more of the Owners. All meetings called because of the petition of Owners must be held at a formal gathering, and not by written ballot, within 60 days after the Secretary's receipt of the petition. The notice of any special meeting must state the time and place of the meeting and the purpose thereof. An electronic meeting is permitted. No business other than that stated in the notice may be transacted at a special meeting unless by consent of all the Owners of the Lots or as otherwise set forth in these Bylaws.

3.5 Notice of Meetings. The Secretary must mail or provide electronic notice or digital transmission (as provided in ORS 94.652) of each annual and special meeting, stating the purpose thereof and the time and place where the meeting is to be held, to each Owner of record at least 10, but not more than 50, days before the meeting or the date on which ballots for a ballot meeting are required to be returned. The Board of Directors may propose that the Owners take action by written ballot without a meeting or by electronic ballot as provided by ORS 94.661, according to the provisions of the PCA and the Oregon Nonprofit Corporation Act. The notice must be mailed to the Owner's address last given to the Secretary in writing by the Owner or the Owner's vendee. If Lot ownership is split or the Lot has been sold on a contract, notice will be sent to a single address, of which the Secretary has been notified in writing by the parties. If no address has been given to the Secretary in writing, then mailing to the Project Lot will be sufficient. The mailing of a notice in the manner provided in this Section will be considered notice served.

3.6 Adjourned Meetings. As permitted by ORS 65.214, if any gathering of Owners is not a legal meeting because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours or more than 10 days from the time of the original meeting. The adjournment provisions of this section do not apply to actions proposed to be taken by written ballot.

3.7 Ballot Meetings. Unless prohibited or limited by the Articles of Incorporation of the Association or the PCA, any action that may be taken at any annual or special meeting of the Owners may be taken without a meeting if the Association delivers a written ballot to every Owner entitled to vote on the matter as provided in ORS 94.647 or delivers an electronic ballot to every Owner entitled to vote on the matter as provided in ORS 94.661. The ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action. A proposed action will be deemed to be approved by written or electric ballot when the number of votes cast by ballot equals or exceeds any quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. The Board must provide Owners with at least 10 days' notice as required by ORS 94.647(2)(b) before written ballots are mailed or otherwise delivered. If, at least three days before ballots are scheduled to be mailed or otherwise distributed, at least 10 percent of the Owners petition the Board requesting secrecy procedures, a written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the Owner, and

instructions for making and returning the ballot. If electronic ballots are used, the electronic ballot must be secret. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed. An electronic ballot is effective when it is electronically transmitted to the address, location, or system designated by the Board of Directors for that purpose.

3.8 Order of Business. The order of business at all annual meetings will be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Approval of minutes of the preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees, if any.
- (g) Election of Directors.
- (h) Unfinished business.
- (i) New business.
- (j) Adjournment.

ARTICLE 4

BOARD OF DIRECTORS

4.1 Declarant Control. Declarant hereby reserves administrative control of the Association until the Turnover Meeting. Declarant, in its sole discretion, may appoint and remove members of the Board and officers of the Association whose terms of service will end on or before the date of the Turnover Meeting.

4.2 Powers and Duties. The Board has the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things that are not by law or by these Bylaws directed to be done by the Owners.

4.3 Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board has authority to carry out and be responsible for the following matters:

4.3.1 Maintenance of Roadway Easement. Care, upkeep, and supervision of the Roadway Easement are identified and shown on the Subdivision Plat Map.

4.3.2 Assessment Collection. Designation and collection of assessments from the Owners in accordance with these Bylaws and the Declaration.

4.3.3 Reserves. The Board may establish and maintain replacement Reserve Accounts to fund major maintenance, repair, or replacement of all items of common property identified in Section 4.3.1 above, which will normally require major maintenance, repair, or replacement, in whole or in part, in more than one and less than 30 years. Reserve accounts will be kept separate from operational accounts. A reserve account is not needed for items that can be reasonably funded from the general annual budget or other funds of the Association.

If a reserve is established, then the Board will have the authority to prepare, review, adjust the assessment for, and update any Reserve Study and maintenance plan that may be required under ORS 94.595 and annually determine reviewing or updating any existing study for the following information:

- (A) The starting balance of the reserve account for the current fiscal year;

- (B) The estimated remaining useful life of each item for which reserves are or will be established as of the date of the study or review;
- (C) The estimated cost of maintenance and, repair and replacement at the end of the useful life of each item for which reserves are or will be established;
- (D) The rate of inflation during the current fiscal year; and
- (E) Returns on any invested reserves or investments.

A “Reserve Study” shall:

- (A) Identify all items for which reserves are or will be established;
- (B) Include the estimated remaining useful life of each item as of the date of the reserve study and
- (C) Include for each item, as applicable, an estimated cost of maintenance, repair, and replacement at the end of the item’s useful life.

4.3.4 Annual Maintenance and Repair Plan. The Board will annually prepare or update a maintenance plan for the maintenance, repair, and replacement of all improvements for which the Association has maintenance, repair, or replacement responsibility under the Declaration. The maintenance plan will:

- (A) Describe the maintenance, repair, and replacement to be conducted;
- (B) Include a general schedule for the maintenance, repair, and replacement with an understanding that such a schedule does not need to be prepared by a professional and is only an estimation by the Board;
- (C) Be appropriate for the size and complexity of the maintenance, repair, and replacement responsibility of the association; and
- (D) Address issues that include, but are not limited to, warranties and the useful life of the items for which the association has maintenance, repair, and replacement responsibility.

4.3.5 Budget. Establishment of a budget and payment of all common expenses of the Association.

4.3.6 Insurance. Procurement and maintenance of insurance policies and payment of premiums, therefore, out of the common expense funds in respect to the Roadway Easement, as more specifically provided in these Bylaws.

4.3.7 Personnel. Designation and dismissal of the personnel necessary for the maintenance and operation of the Project.

4.3.8 Financial Statements. Causing the preparation and distribution of annual financial statements of the Association to each of the Owners, as more specifically provided in ORS 94.670(4) to (6), as applicable. If subject to ORS 94.670(5), the Association may elect on an annual basis not to comply with ORS 94.670(5) by an affirmative vote of at least 60 percent of the Owners other than Declarant.

4.3.9 Rules and Enforcement.

- (A) The Association shall have authority to enforce the CC&Rs or the Declaration of the Property.

- (B) The Association may adopt administrative rules and regulations governing the details of operation and use of the Roadway Easement.

4.3.10 Bank Accounts. Depositing all assessments in a separate bank account in the name of the Association, payment of all expenses of the Association from the Association's bank account, maintenance and distribution of financial statements, and maintenance of copies suitable for duplication of the following: the Declaration, the Articles of Incorporation, the Bylaws, the Association Rules and Regulations and any amendments thereto, the most recent annual financial statement, and the current operating budget of the Association. Furthermore, the Board of Directors must cause to be maintained and kept current the information required to enable the Association to comply with ORS 94.670.

4.3.11 Tax Returns. Causing the Association to file any necessary tax returns of the Association.

4.3.12 Mailing Address. Establishing and maintaining a current mailing address for the Association.

4.3.13 Professional Services. Employment of legal, accounting, and other personnel or consultants for reasonable compensation to perform such services as may be required for the proper administration of the Association and preparing and filing the required income tax returns or forms.

4.3.14 Third-Party Contracts. Enter into a contract with a third party wherein the third person will furnish management or other services for the Roadway Easement or the Association for a term longer than three years with the following exceptions:

- (A) Management contracts, service contracts, or employment contracts made by or on behalf of the Association, the Board of Directors, or the Owners.
- (B) A prepaid casualty or other insurance policy or a casualty and other insurance policy with a term of not more than three years, as long as the policy permits short-rate cancellation by the insured.

4.4 Management Agent. The Board may employ a management agent to be compensated in an amount established by the Board to perform such duties and services as the Board authorizes, including, but not limited to, the duties listed in these Bylaws.

4.5 Election and Term of Office. The Owners will vote for the Directors. The Directors will hold office until their successors have been elected and hold their first meeting. The Owners may elect Directors by using a ballot that permits each Owner to vote for three nominees.

4.6 Reserved.

4.7 Vacancies. Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Association will be filled for the balance of the term of each directorship by a vote of a majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected will be a Director until a successor is elected upon expiration of the term for which the person was elected to serve by the other Directors.

4.8 Removal of Directors. At any legal annual or special meeting (not including actions proposed to be taken by written ballot without a meeting), any one or more of the Directors may be

removed with or without cause, by a majority vote of the total voting power of the Owners, and a successor may be then and there elected to fill the vacancy thus created; however, the notice of the meeting must specifically indicate that the removal of one or more named Directors is an agenda item for the meeting. Any Director whose removal has been proposed by the Owners must be given an opportunity to be heard at the meeting.

4.9 Organizational Meeting. The first meeting of a newly elected Board must be held within 10 days of election at a place fixed by the Directors at the Association meeting at which the Directors were elected, and no notice will be necessary to the newly elected Directors in order to hold the meeting legally, as long as a majority of the newly elected Directors are present.

4.10 Regular Meetings. Regular meetings of the Board may be held at such time and place as determined, from time to time, by a majority of the Directors. Regular meetings of the Board may be called by the President on at least three days' notice to each Director, given personally or by mail, telephone, e-mail, or facsimile, which notice must state the time, place (as hereinabove provided), and purpose of the meeting.

4.11 Special Meetings of the Board. Special meetings of the Board may be called by the President or Secretary or on the written request of at least two Directors. Special meetings of the Board may be called on at least three days' notice to each Director, given personally or by mail, telephone, e-mail, or facsimile, which notice must state the time, place (as hereinabove provided), and purpose of the meeting.

4.13 Waiver of Notice to Directors. Before, at, or after any meeting of the Board, any Director may, in writing, waive notice of the meeting, and the waiver will be deemed equivalent to the giving of the notice. Attendance by a Director at any meeting of the Board will be a waiver of notice by the Director of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to Directors will be required, and any business may be transacted at the meeting.

4.14 Board of Directors' Quorum. At all meetings of the Board, a majority of the existing Directors will constitute a quorum for the transaction of business, and the acts of the majority of the Directors will be the acts of the Board. If quorum requirements are not met at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

4.15 Board Meetings Open to All Association Members. Except for executive sessions, all meetings of the Board will be open to any and all Members of the Association; however, no Association Member will have a right to participate in the Board's meetings unless the Member is also a member of the Board. The President will have the authority to exclude any Association Member who disrupts the proceedings at a meeting of the Board. At the discretion of the Board, the following matters may be considered in executive sessions: (a) consultation with legal counsel concerning rights and duties of the Association regarding existing or potential litigation or criminal matters; (b) personnel matters, including salary negotiations and employee discipline; (c) negotiations of contracts with third parties; (d) collection of assessments; and (e) any other matters permitted by the PCA.

Except in the case of an emergency, the Board must vote in an open meeting on whether to meet in executive session. If the Board votes to meet in executive session, the presiding officer of the Board must state the general nature of the action to be considered as precisely as possible and when and under what circumstances the deliberations can be disclosed to Owners. The statement, motion, or decision to meet in executive session must be included in the minutes of the meeting. A contract or an action

considered in an executive session does not become effective unless the Board, following the executive session, reconvenes in an open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes.

4.16 Notice to Association Members of Board Meetings. For other than emergency meetings, notice of special Board meetings must be mailed or delivered to each Owner at least seven days before the meeting by first-class mail or at least three days before the meeting by hand-delivery to each Lot Owner's address or by email or digital transmission. The Board must give Owners notice of regular Board meetings at the beginning of each year by first-class mail, email, or digital transmission setting forth the time and place of the regular meetings. For any changed time or place, the notice requirements for special meetings will apply.

4.17 Emergency Meetings. In the event of an emergency, Board of Directors meetings may be conducted by telephonic communication or by the use of a means of communication that allows all Board members participating to hear each other simultaneously or otherwise to communicate during the meeting. No notice to either Directors or Association members will be required for such meetings of the Board of Directors to be held for any emergency action. However, no such meeting may occur unless at least 75 percent of the Directors participate in the meeting and after an attempt has been made to reach each Director.

4.18 Compensation of Directors. No Director may be compensated in any manner except for out-of-pocket expenses without a vote of the majority of Owners.

ARTICLE 5

OFFICERS

5.1 Designation. The principal officers of the Association will be a President, a Secretary, and a Treasurer, all of whom must be elected by the Directors and selected amongst the Directors. A Director may hold more than one officer position.

5.2 Removal of Officers. Upon an affirmative vote of a majority of the Board, any officer may be removed, either with or without cause, and the officer's successor may be elected at any regular or special meeting of the Board.

5.3 President. The President is the Chief Executive Officer of the Association and will preside at all meetings of the Association and of the Board. The President has all of the general powers and duties that 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 the President may, in the President's discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

5.4 Secretary. The Secretary must keep the minutes of all meetings of the Board and the minutes of all meetings of the Association and will have charge of such books and papers as the Board may direct. The Secretary will, in general, perform all the duties incident of the office of secretary and will assume the role of interim-President in the event the President resigns or is otherwise unavailable to act.

5.6 Treasurer. The Treasurer has responsibility for Association funds and securities not otherwise held by the managing agent and is responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer is 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.

ARTICLE 6

OBLIGATIONS OF THE OWNERS

6.1 Payment of Assessments. All Owners must pay assessments imposed by the Association to meet all the Association's general common expenses, as more particularly set forth in the Declaration or CC&Rs. Assessments will be payable periodically, not more frequently than monthly, as determined by the Board. The Declarant (before turnover) and the Board (after turnover) may, but will not be required to impose interest or a service charge for late installment payments or allow a discount for payment of the annual assessment or any installment in advance.

6.2 Reimbursement of Damages. An Owner must reimburse the Association for any expenditures incurred in repairing or replacing any portion of the Roadway Easement that was damaged through the Owner's fault, and that is not otherwise covered by insurance policies carried by the Owner or the Association for the Owner's and the Association's benefit. In such circumstances, the insurance obtained by the Owner will be deemed to be the primary coverage. The Board of Directors will have the unfettered discretion to refuse to make a claim on the Association's policy even though coverage may pertain. The discretion is for the purpose of maintaining the Association's insurability and controlling the amount of the premiums for the Association's insurance. The charge will be collectible as an Assessment.

ARTICLE 7

MANAGEMENT OF ASSESSMENTS

7.1 Setting Assessment. The Board may set Assessments to meet the obligations of the Association identified in the CC&Rs and these Bylaws. The Association will be responsible for repairing and maintaining the Roadway Easement, subject to these Bylaws and CCR&s. However, the time, manner, and means of repair and maintenance are at the discretion of the Board. The Association will not be obligated to perform repairs and maintenance until such time as there are sufficient Assessments available to pay for the maintenance and repairs.

7.1.1 No Owner will have any individual rights in any assessment once paid to the Association.

7.1.2 A new Lot Owner is responsible for any outstanding assessment of the prior Lot Owner. It is recommended that any person selling or acquiring a Lot make provision in their sale agreement regarding the payment of the assessment.

7.2 Investment of Reserve Account Funds. Assessments paid into Reserve Accounts will be kept with a safe and responsible depository and must be accounted for separately. If invested, the obligation or security must be fully guaranteed as to principal by the United States of America or one of its agencies. Assessments paid into the Reserve Accounts are the property of the Association and are not refundable to sellers of Lots. No Owner will have any individual rights in any of these reserves.

7.3 Assessment Amount. The amount of the annual assessment thereafter will be subject to review and modification by the Board of Directors. The Board must give 10 days' written notice to

Owners before their obligation to pay the full assessment begins. Thereafter, each Owner must pay the assessments to the Association.

7.4 Income Tax Returns; Determination of Fiscal Year.

7.4.1 Fiscal Year. The fiscal year of the Association will be the calendar year unless otherwise determined by the Board.

7.4.2 Tax Returns. The Board, in its sole discretion, will determine how all necessary income tax returns are filed and select any persons to prepare the tax returns.

7.5 Statement of Assessments.

7.5.1 The Association must provide, within 10 business days of receipt of a written request from an Owner, a written statement that provides:

7.5.1.1 The amount of assessments due from the Owner and unpaid at the time the request was received, including (a) regular and special assessments, (b) fines and other charges, (c) accrued interest, and (d) late payment charges.

7.5.1.2 The percentage rate at which interest accrues on assessments that are not paid when due.

7.5.1.3 Unless determined otherwise by the Board, interest on outstanding assessments shall accrue at the rate of 9% per annum. Unless determined otherwise by the Board, late payment charges may be assessed if payment is more than 30 days past due and will be 5% of the payment outstanding.

7.6 Litigation. The Association is not required to comply with Section 7.5.1 if the Association has commenced litigation by filing a complaint against the Owner and the litigation is pending when the statement would otherwise be due.

7.7 Default. Failure by an Owner to pay any assessment of the Association is a default by the Owner of the Owner's obligations under these Bylaws and the Declaration. The Association will be entitled to all remedies set forth in the Declaration and these Bylaws.

7.8 Declarant Exemption. Declarant is exempt from any Assessments unless for Lot(s) in which Declarant owns that contain a dwelling with a valid occupancy permit issued for that Lot.

ARTICLE 8

USE AND OCCUPANCY RESTRICTIONS; RULES OF CONDUCT

8.1 Additional Rules. In addition to the rules set forth in the Declaration, the Board may promulgate and amend, from time to time, Rules and Regulations concerning the use of the Roadway Easement and must furnish copies of the Rules and Regulations to any Owner or Occupant requesting such copies.

8.2 Enforcement. The Association, through its Board of Directors, has the power to enforce the covenants and restrictions in these Bylaws and the Declaration at its discretion. Owners have the right

to bring actions or suits regarding Declaration, but Owners have no right or power to require the Association or Board of Directors to take any enforcement action.

8.3 Fines. The Board of Directors may, after giving written notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations of the Association. Fines shall be not less than **\$150 per violation**. The Board may adopt by Board resolution that is mailed to the mailing address of each Lot or mailed to the mailing address designated in writing by the Owner(s) a fine schedule which may be amended from time to time by the Board.

ARTICLE 9

INSURANCE

9.1 General. The Board will endeavor to obtain and maintain at all times insurance of the type and kind and in the amounts hereinafter provided and additional insurance for such other risks of a similar or dissimilar nature as are now or later existing. The additional insurance is governed by this Article 9.

9.2 Types of Insurance Policies Maintained by the Association. For the benefit of the Association and the Owners, the Board will obtain and maintain at all times and pay for out of the common expense funds, the following insurance to the extent that it is available at a reasonable cost:

9.2.1 Property Insurance. A policy or policies of property insurance, including, but not limited to, fire, extended coverage, vandalism, and malicious mischief, for the full insurable replacement value of all substantial improvements on the Roadway Easement to the extent such insurance is available and if available at a reasonable cost, with building-code and actual-replacement-cost endorsements.

9.2.2 Liability. A policy or policies insuring the Association, its Board, the Owners individually, and the manager against any liability to the public or the Owners and their invitees or tenants, incident to the ownership, supervision, control, or use of the Property. Limits of liability under such insurance must be not less than \$1 million per occurrence for bodily injuries and property damage liability. The limit and coverage will be reviewed at least annually by the Board, which may increase the liability limits, coverage, or both at its discretion. The policy or policies must be issued on a commercial general liability form and must provide cross-liability endorsements wherein the rights of the named insured under the policy or policies will not be prejudiced in his or her or their action against another named insured.

9.2.3 Workers' Compensation. Workers' compensation insurance to the extent that it is necessary to comply with any applicable laws.

9.3 Fidelity Bond. For the benefit of the Association and Owners, the Board may obtain a fidelity bond naming such persons as may be designated by the Board as principals and the Association and the Owners as obligees for the amount determined by the Board. The Board may pay for the bond out of the common expenses of the Association. In addition, the Board must require all officers and employees of the Association handling or responsible for Association funds to obtain adequate fidelity bonds, and the Board may pay for the premiums thereon.

9.4 Insurance Companies Authorized. All policies obtained under this Article must be written by a company licensed to do business in Oregon and holding a "Commissioner's Rating" of "A+"

and a size rating of “AAA” or better, by *Best’s Insurance Reports*, or as may be otherwise acceptable to all mortgagees and Directors.

9.5 Provisions in Insurance Policies. The Board will make reasonable efforts to secure insurance policies that will provide for the following:

9.5.1 Waiver of Subrogation. A waiver of subrogation by the insurer on any claims against the Board, the officers, the manager, the Owners, and their respective servants, agents, guests, and tenants.

9.5.2 Noncancellation for Owner Conduct. A provision that the master policy on the Property cannot be canceled, invalidated, or suspended on account of the conduct of any one or more individual Owners.

9.5.3 Noncancellation without Opportunity to Cure. A provision that the master policy on the Property cannot be canceled, invalidated, or suspended on account of the conduct of any officer or employee of the Board or the manager without prior demand in writing that the Board or manager cure the defect.

9.5.4 “No Other Insurance” Clauses. A provision that any “no other insurance” clause in the master policy excludes individual Owners’ policies and does not otherwise prevent such individual policies from providing coverage for damage to Homes, Lots, or Roadway Easement.

9.6 Home and Lot Insurance Maintained by Each Owner. The Association will have no responsibility to procure or to assist Owners or Occupants in procuring property loss insurance or liability insurance other than as expressly stated in this Article. Owners and Occupants must procure all other insurance coverage that they deem necessary or prudent for their protection. Insurance coverage obtained and maintained by the Board of Directors may be brought into contribution with that obtained and maintained by Owners or mortgagees only in the Board of Directors’ sole and unfettered discretion.

9.7 Review of Insurance Policies. The Board will periodically review all insurance carried out by the Association.

ARTICLE 10

AMENDMENT

Except as otherwise provided by law and the restrictions set forth elsewhere herein, these Bylaws may be amended at any time by an instrument approved by the Declaration before the Turn Over. After the Turn Over, then by at least a majority of the Owner’s total votes of the Lots. Any amendment must be executed, recorded, and certified as provided by law. However, no amendment of these Bylaws may effect an amendment of the Declaration or the Articles without compliance with the provisions of those documents and the Oregon Nonprofit Corporation Act. No amendment deleting or affecting any right of Declarant or its successor or assignee, including, without limitation, may be adopted without the prior written consent of Declarant or its successor or assignee.

ARTICLE 11

RECORDS AND AUDITS

11.1 General Records. The Board and the managing agent or manager, if any, will preserve and maintain minutes of the meetings of the Association, the Board, and any Board committees as required by ORS 94.670. The Board must maintain a list of Owners entitled to vote at meetings of the Association. The minutes of the Association, the Board, and Board committees, and the Association's financial records must be reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Association for providing copies. Proxies and ballots must be retained by the Association for one year from the date of determination of the vote. All records may be kept in digital format.

11.2 Assessment Roll. The Board and the managing agent or manager, if any, must maintain the assessment roll in a set of accounting books in which there must be an account for each Lot. Each account must designate the name and address of the Owner or Owners, the amount of each assessment against the Owner, the dates on which and the amounts in which the assessment comes due, the amounts paid on the account, and the balance due on the assessments.

11.3 Payment of Vouchers. The Treasurer or management agent must pay all expenses authorized by the Board. The Treasurer or management agent must maintain and follow reasonable procedures to ensure that the accounts and records are proper and to ensure that all expenditures are proper. Except in cases when an emergency exists (e.g., a repair must be made immediately to prevent further damage), any voucher for nonbudgeted items must require the signature of the President; however, any withdrawal from Reserve Accounts must require the signature of two Board members or one Board member and an officer of the Association who is not a Board member.

ARTICLE 12

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS

The Association must indemnify any Declarant, Director, officer, 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. Indemnification will be made regardless of whether the action is civil, criminal, administrative, or investigative (other than an action by the Association) by reason of the fact that such person 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 the person in connection with the suit, action, or proceeding. This indemnification applies if the person acted in good faith and in a manner that the person 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 that the person's conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent will not of itself create a presumption that a person did not act in good faith and in a manner that the person 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 that the person's conduct was unlawful. Payment under this Article 12 may be made during the pendency of the claim, action, suit, or proceeding as and when incurred, subject only to the right of the Association to reimbursement of the payment from the person, should it be proven at a later time that the person had no right to the payment. All persons who are ultimately held liable for their actions on behalf of the Association as a Director, officer, employee, or agent will have a right of contribution over and against all other Directors, officers, employees, or agents and Members of the Association who participated with or benefited from the acts that created the liability.

ARTICLE 13

ASSESSMENT COLLECTION COSTS; SUITS AND ACTIONS

An Owner must pay reasonable fees and costs (including, but not limited to, attorney fees) and actual administrative costs incurred in connection with efforts to collect any delinquent unpaid assessments from the Owner, whether or not a suit or action is filed. Assessments against Owners may include fees, late charges, fines, and interest imposed by the Board as set in these Bylaws or by rule or regulation, in addition to amounts owed toward operating expenses and the funding of reserves. If the Association brings against any Owner or Owners a suit or action for the collection of any amounts due under or the enforcement of any provisions of the Declaration, the Articles, or these Bylaws, the Owner or Owners, jointly and severally, must pay, in addition to all other obligations, the costs of the suit or action, including actual administrative expenses incurred by the Association because of the matter or act that is the subject of the suit, 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 the appellate court.

ARTICLE 14

MISCELLANEOUS

14.1 Notices. All notices to the Association or to the Board must be sent in care of the managing agent or, if there is no managing agent, to the principal office of the Association or to such other address as the Board hereafter may designate from time to time. All notices to any Owner must be sent to such address as may have been designated by the Owner from time to time, in writing, to the Board, or if no address has been designated, then to the Owner's Lot. In the discretion of the Board of Directors, any notice, information, or other written material required to be given to an Owner or Director may be given by electronic mail, facsimile, or other form of electronic communication ("Electronic Communication") acceptable to the Board of Directors and subject to the PCA.

14.2 Waiver. No restriction, condition, obligation, or provision contained in these Bylaws will be deemed to have been abrogated or waived because of any failure to enforce it, irrespective of the number of violations or breaches thereof that may have occurred and the number of times that the pertinent restriction, condition, obligation, or provision was not enforced.

14.3 Invalidity; Number; Captions. The invalidity of any part of these Bylaws will not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws; however, if any of the provisions of these Bylaws would violate the rule against perpetuities or any other limitation on the duration of the provisions herein contained imposed by law, then the provision will be deemed to remain in effect only for the maximum period permitted by law, or if the rule against perpetuities applies, until 21 years after the death of the last survivor of the now living descendants of Rachel Olsen. As used herein, the singular includes the plural, and the plural the singular. The masculine and neuter each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for the convenience of reference and in no way limit any of the provisions of these Bylaws.

ARTICLE 15

ADOPTION

It is hereby certified that these Bylaws have been adopted by Coburg Mountain Estates, an Oregon nonprofit corporation, Declarant, and will be recorded in the Deed Records of Linn County, together with the Declaration for said planned community.

DATED: _____, 2025.

DECLARANT

By: _____
James Olsen

DISTRICT ROW, LLC

By: _____
Rachel Olsen, Authorized Member

STATE OF OREGON)
) ss.
County of _____)

This record was acknowledged before me on _____, 2025, by James E. Olsen, Declarant.

NOTARY PUBLIC FOR OREGON

STATE OF OREGON)
) ss.
County of _____)

This record was acknowledged before me on _____, 2025, by Rachel Olsen, as Authorized Member of District Row, LLC.

NOTARY PUBLIC FOR OREGON