

**BYLAWS**  
**FOURTH AMENDMENT, SEPTEMBER 27,1999**  
**OF THE**  
**TOLLGATE PROPERTY OWNERS ASSOCIATION**  
**15004 SADDLE**  
**SISTERS, OREGON 97759**

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**OF THE**  
**TOLLGATE PROPERTY OWNERS ASSOCIATION**

**ARTICLE 1. NAME AND LOCATION OF THE ASSOCIATION**

1.1. The name of this Association is Tollgate Property Owners Association. Its principal office is located at 15004 Saddle, Sisters, Oregon 97759.

**ARTICLE 2. DEFINITIONS**

2.1. The following Terms when used herein shall have the following meanings unless a different meaning is plainly required by the context:

2.1.1. All Terms defined in the Tollgate Declaration (CC&R) shall be so defined herein.

2.1.2. "Tollgate Declaration" shall be that instrument filed April 3, 1972 in volume 183 Page 556 Deed of Records, Deschutes County, Oregon, Amended April 27, 1972 in Volume 184 Page 253, Deed of Records, Deschutes County, Oregon, further Amended September, 19, 1985, in Volume 0105 Page 1728 and August 14, 1991 in Volume 242 Page 1468, Deed of Records, Deschutes County, Oregon, and further Amended December 1, 1998, in Volume 524 page 655, and January 8, 1999 Volume 1999 page 906, October 14, 1999 Volume 1999 page 49757, and October 27, 1999 Volume 1999 page 51943 Deeds of Records, Deschutes County, Oregon and all subsequent duly authorized and recorded Amendments thereafter.

**ARTICLE 3. MEMBERSHIP**

3.1. Members of the Association shall be every Owner in Tollgate. There shall be no other qualification for Membership. Memberships shall terminate upon the transfer of a fee simple title to a Lot or the contract of purchaser's interest by a contract purchaser.

**ARTICLE 4. MEETINGS OF MEMBERS**

4.1. **PLACE OF MEETINGS.** Meetings of Members shall be held at the principal office or place of business of the Association or at such suitable place convenient to the Members

4.2. **ANNUAL MEETINGS.** Annual Meetings of the Members shall be held on a Saturday in August of each year.

4.3. **SPECIAL MEETINGS.** Special Meetings of the Members may be called at any time by the Chair of the Board, upon resolution by the Board, or written request of at least twenty-five (25) percent of the Members.

**4.4. NOTICE.** It shall be the duty of the Secretary to cause to be mailed, at least fifteen (15) but not more than sixty (60) days prior to an Annual or Special Meeting a Notice of each Meeting stating the purpose of the Meeting and the time and place of the Meeting, to each Member, at the address of the Member in the records of the Association, or the address supplied by such Member to the Association for the purpose of Notice.

**4.5. QUORUM.** Except as hereinafter provided, the presence either in person or by Proxy of Members entitled to cast at least twenty (20) percent of the total votes of the Association shall constitute a Quorum for the transaction of business at all Meetings. When a Quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a Member or Members. If any Meeting of Members cannot be organized because of a lack of Quorum, the Members who are present, either in person or by Proxy, may adjourn the meeting from time to time until a Quorum is present.

**4.6. VOTING.** At every Meeting of the Members each Member present, whether in person or by Proxy, shall have the right to cast one vote for each Lot owned by such person. Fractional voting will be allowed for those Lots having multiple ownership. If a majority of the Owners of such Lot cannot agree the vote for such Lot will be counted **as** fractionally.

**4.7. PROXIES.** A Member may vote in person or by Proxy executed in writing and filed with the Secretary. Each filed Proxy will only apply to the specific Meeting, including adjourned ones, specified in the executed document. Every Proxy shall be revocable and shall automatically terminate upon Termination of Membership.

## **ARTICLE 5. BOARD OF DIRECTORS (BOARD)**

**5.1. NUMBER AND QUALIFICATIONS.** The affairs of the Association shall be governed by a Board composed of seven persons. Directors must be Members of the Association.

**5.2. TERM.** All Terms are for three years, commencing immediately upon election and expiring at the conclusion of the Annual Meeting election three years following. Terms are to be staggered, with a minimum of two Director positions up for election Annually. At each Annual Meeting the Membership shall elect the number of Directors necessary to fill all Vacancies caused by expiration of Terms.

**5.3. VACANCIES.** Vacancies in the Board shall be filled by a vote of a majority of the remaining Directors. The remaining Term of the Vacancy filled shall be served by the Director so elected.

**5.4. REMOVAL OF DIRECTORS.** Directors may be removed from office before their Term expires by a majority vote of all Members, whether voting by proxy or in person, at a Special Meeting called for the purpose of such removal or at a Regular Meeting.

**5.5. COMPENSATION.** No Director shall receive any compensation for any service he may render to the Association as a Director. However, any Director may be reimbursed for his actual expenses which are incurred in the performance of his duties as Director or may receive compensation for services to the Association in a capacity other than as a Director.

**5.6. MANNER OF ELECTION.** Nominees for Vacancies will be presented by the Nominating Committee. Prior to May 31 of each year the Chair will appoint a Nominating Committee. Such Committee will submit a slate of nominated Members to the Board. At the Annual Meeting a secret written ballot will be taken of all Members present in person or by Proxy for each Vacancy. Cumulative voting is not permitted. The person receiving the most votes shall be elected to the longest available term.

## **ARTICLE 6. MEETINGS OF THE BOARD**

**6.1. REGULAR MEETING.** Immediately after each Annual Meeting of Members, the Directors elected at such Meeting and those holding over shall withdraw and hold a meeting for the purpose of electing Officers and other business that may come before the meeting. No prior Notice of such Meeting shall be required to be given.

**6.1.1.** The Board by resolution may establish other dates, times and places for Regular and Special Meetings of the Board.

**6.2. SPECIAL BOARD MEETINGS.** Special Meetings may be called by the Board Chair at the request of at least two Directors, or at the Chair's discretion. These Special Meetings may be held at such reasonable times and places as the Chair may determine and shall be limited to only those items of business described in the Notice of such Special Meeting.

**6.3. NOTICES.** No Notice need be given for Regular Board Meetings held pursuant to Section 6.1. Notice of other Regular Meetings shall be posted at least two (2) days prior to the time of the Meeting. Notice of Special Board Meetings must be given at least two (2) days prior to the time of the Meeting and shall include all business to be considered at such Meeting. Notice of Special Board Meetings shall be posted on the Bulletin Board two (2) days prior to Meeting.

**6.4. QUORUM.** A majority of the Directors shall constitute a Quorum. If there is only an even number of filled Director positions, fifty percent (50%) will qualify as a majority. Without a Meeting Directors may take any action which is in their power by obtaining written approval of all the Directors to such action.

## **ARTICLE 7. POWERS AND DUTIES OF THE BOARD**

**7.1. GENERAL POWERS.** The Board shall have power to exercise all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by provision of these Bylaws, the Articles of Incorporation and the Tollgate Declaration.

**7.2. ANNUAL ASSESSMENT.** The Board shall have the power, as more fully provided in Article 6.3 of the Declaration to fix the amount of the Annual Assessment against each Lot and give the Owner subject thereto written Notice of such Assessment at least thirty (30) days prior to the due date thereof, and to cause to be prepared a roster of property subject to Assessment with Assessments applicable to each such property and to keep such roster in the Association's office subject to inspection by any Owner.

**7.3. OTHER POWERS.** The Board shall have the power to declare the office of a Member of the Board Vacant in the event such Members shall be absent without excuse from two Regular Meetings of the Board.

7.3.2. The Board shall have power to employ employees and officials and prescribe their duties and fix their compensation.

**7.4. DUTIES OF THE BOARD.** It shall be the duty of the Board to:

7.4.1. Cause to be kept a complete record of all of its acts and the proceedings of its Meetings and to cause to be presented at the Annual Meeting of the Members a report reviewing the business and affairs of the Association for the past year;

7.4.2. Procure and maintain adequate insurance on property owned, leased, or otherwise used by the Association;

7.4.3. Cause, in its discretion, all Officers or employees having fiscal responsibilities to be bonded with sufficient surety for the faithful performance of their official duties with the premium on such bond to be paid by the Association;

7.4.4. To perform all other responsibilities given to it by the Tollgate Declaration;  
and

7.4.5. To perform all other powers and duties granted by law.

**7.5. LIABILITY AND INDEMNIFICATION OF DIRECTORS.** The Directors shall not be liable to the Association or the unit Owners for any mistake of judgment, negligence, or otherwise except for their own willful misconduct or bad faith. The Association shall indemnify and hold harmless each Director, the Manager or Managing Agent, Employees, Committee Members and other volunteers, if any, against all contractual liability to others arising out of contracts made by the Board, Manager, or Managing Agent on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration filed herewith or of these Bylaws. Each Director, the Manager or Managing Agent, Employee or volunteer if any, shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been a Director, Manager, Managing Agent, Employee or volunteer, and shall be indemnified upon any reasonable settlement thereof. However, there shall be no indemnity if the Director, Manager, Managing Agent, Employee or volunteer is adjudged guilty of willful nonfeasance, misfeasance, or malfeasance in the performance of his duties.

**7.6. ENFORCEMENT.** The Board shall have the authority to make and enforce reasonable rules and regulations governing the conduct, use, and enjoyment of Lots and Common Areas, provided that copies of all such rules and regulations be furnished to all Owners. However, any rule or regulation may be repealed by the affirmative vote of a majority of the eligible Members of the Association at a Special Meeting at which the repeal of any rule or regulation is to be considered by the Members. The Notice of a Special Meeting shall state that the repeal of a rule or regulation shall be considered and voted on at such Meeting.

**7.6.1.** The Board shall have the power to impose reasonable fines and to suspend a Member's right to vote or to use Common areas for violation of any duty imposed under the Declaration, these Bylaws, or any rules or and regulations duly adopted hereunder. However, nothing herein shall authorize the Association or the Board to limit ingress and egress to or from a Lot. In the event that any occupant of a Lot other than the Owner violates the Declarations, Bylaws, or rule or regulation, and a fine is imposed, the fine shall first be assessed against such occupant. However, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon Notice from the Association. Any unpaid fine shall be processed to become a Lien upon the Lot as provided for in Article 6 of the Declaration.

## **7.7. NOTICE, HEARING**

**7.7.1. NOTICE.** In the event a rule or restriction contained in the Declaration, these Bylaws, or a rule or regulation adopted pursuant thereto is violated, the Board shall serve the violator and/or Owner with written Notice sent by certified mail return receipt requested, which shall contain:

**7.7.1.1.** The nature of the alleged violation;

**7.7.1.2.** The proposed sanction to be imposed;

**7.7.1.3.** A statement that the violator may challenge the fact of the occurrence of a violation, the proposed sanction, or both;

**7.7.1.4.** The name, address, and telephone number of a person to contact to challenge the proposed action; and

**7.7.1.5.** A statement that the proposed sanction shall be imposed not less than ten (10) days from the date of certification.

**7.7.2. HEARING.** If the alleged violator and/or Owner challenges the proposed action within the time period allowed, a Hearing before the Board shall be held in Executive Session affording the alleged violator and/or Owner a reasonable opportunity to be heard. The Hearing shall be set and Notice of the time, date and place of the Hearing and an invitation to attend the Hearing and produce any statements, evidence, and witnesses shall be sent to the alleged violator and/or Owner. The Hearing shall be set at least 10 days from the giving of the notice. Prior to the effectiveness of any sanction hereunder, proof of Notice shall be placed in the minutes of the Hearing. Such proof shall be deemed adequate if a copy of the Notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or designated agent who delivered such Notice. The Notice requirement shall be deemed satisfied if a violator appears at the Hearing. The minutes of the Hearing shall contain a written statement of the results of the Hearing and the sanction(s), if any, imposed.

## **ARTICLE 8. COMMITTEES**

**8.1.** The Board shall appoint such Committees as it in its discretion, deems necessary to assist in the operation of the affairs of the Association. Such Committees shall exercise all powers and be subject to all duties which the Board shall give them. Committee Members need not be Members of the Board, but shall be Members of the Association. A majority of the Members of any Committee shall establish its procedures.

## **ARTICLE 9. OFFICERS.**

**9.1. DESIGNATION AND ELECTION.** The principal Officers of the Association shall be a Chair of the Board, and a Vice Chair, Secretary, and a Treasurer who shall be members of the Board. The Board may appoint an Assistant Secretary or an Assistant Treasurer by Resolution. The Officers of the Association shall be elected annually, by the Board and shall hold office at the pleasure of the Board.

**9.2. REMOVAL, RESIGNATION, AND VACANCIES.** Any Officer may be removed by an affirmative vote of the majority of the Members of the Board with the Officer elected filling the remainder of the Term of the Officer replaced.

**9.3 CHAIR.** The Chair shall preside at all meetings of the Board and of the Association. The Chair shall have all of the General Powers and Duties which are vested in the President of an Association.

**9.4. VICE-CHAIR.** The Vice-Chair shall take the place of the Chair and perform duties whenever the Chair shall be absent or unable to act. If neither the Chair nor the Vice-Chair is able to act the Board will appoint some other Board Member to do so on an interim basis. The Vice-Chair shall also perform such other duties as may be delegated by the Board.

**9.5. SECRETARY.** The Secretary shall be responsible for: keeping minutes of all the Meetings of the Members of the Association and of the Board; serving of Notice of any such Meetings; keeping of appropriate records of the name and addresses of the Association Members; and for performing other duties incident to the office of the Secretary.

**9.6. TREASURER.** The Treasurer shall be responsible for the care and custody of all the funds of the Association and shall ensure that such funds are deposited in the name of the Association in such banks or safe deposit companies as the Board may designate; shall make, sign and endorse in the name of the Association all checks, drafts, notes and other orders for the payment of money; and further shall perform all duties incident to the office which the Treasurer of an Association normally performs.

**9.7. DELEGATION AND CHANGE OF DUTIES.** In the event of absence or disability of any Officer the Board may delegate during such absence or disability the powers and duties of such Officer to any other Officer or any Director.

## **ARTICLE 10. BOOKS, RECORDS, AUDIT**

**10.1. INSPECTION BY MEMBERS.** The books, records, and papers of the Association shall at all times during reasonable business hours be subject to inspection by any Member or his authorized agent at the office of the Association, pursuant to the rules governing such by the Board.

**10.2. AUDIT.** An Annual review shall be made by a Certified Public Accountant previous to the date of each Annual Meeting, covering the previous calendar year, at all which Meeting such report shall be presented. A Special Audit shall be made at any time upon order of the Board or upon a majority vote of the Members, at any Regular or Special Meeting.

**10.3. EXECUTION OF INSTRUMENTS.** The Board will designate signatories along with the Treasurer on all bank accounts and time deposits. All, notes, bonds, acceptances, deeds, leases, contracts, and other Instruments shall be signed by the Secretary or designated Board Member. Such person or persons will be designated by formal motion, confirmed Annually, by the Board, and in the absence of any such designation applicable to any such Instrument, then such Instrument shall be signed by the Chair.

## **ARTICLE 11. AMENDMENT**

**11.1.** These Bylaws may be Amended by two thirds (2/3) of the Members voting in person or by proxy at any Special or Regular Meeting provided a Quorum is present. Amendments may be proposed by the Board or by petition signed by at least twenty (20) percent of the Members. A statement of any proposed Amendment will accompany the Notice of any Regular or Special Meeting at which such proposed Amendment shall be voted upon. In the case of any conflict between the Tollgate Declaration and these Bylaws such Declaration shall control.

## **ARTICLE 12. NOTICES, WAIVER, INVALIDITY, NUMBER, CAPTIONS**

**12.1. NOTICES.** All Notices to the Association of the Board shall be sent to the principal office of the Association, or to such other address as the Board may hereafter designate from time to time. All Notices to any Member shall be sent to such address as may have been designated by Member from time to time, in writing, to the Board.

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

**12.3. INVALIDITY, PLURALITY, GENDER, CAPTIONS, NUMBERS.** The Invalidity of any part of the balance of these Bylaws shall not impair or affect in any manner the Validity, enforceability, or effect of the balance of these Bylaws. As used herein, the singular shall include the plural, and the plural the singular; the masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All Captions and reference Numbers used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.