

MINUTES OF THE ORGANIZATIONAL MEETING  
OF THE BOARD OF DIRECTORS  
OF  
SOUTHVIEW IMPROVEMENT DISTRICT

The undersigned, constituting all of the directors of Southview Improvement District, an Oregon nonprofit corporation, hereby consent to the taking of the following action with respect to the affairs of the corporation, and in lieu of an organizational meeting, effective the 14th day of June, 1989.

RESOLVED, That the Articles of Incorporation of the corporation were filed in the office of the Secretary of State of the State of Oregon on June 13, 1989. A true copy of the Articles of Incorporation shall be inserted in the minute book of this corporation.

RESOLVED, That the form of bylaws that are attached as Exhibit A are approved, and shall be inserted in the minute book of this corporation immediately following the Articles of Incorporation. The president of the corporation shall request ratification and approval of the form of bylaws at the next annual meeting of the members of the corporation.

RESOLVED, That the form of Landowners' Notice attached as Exhibit B is approved. The president of the corporation shall cause the Landowners' Notice to be presented to all members of the corporation for execution, whereupon the Landowners' Notice shall be recorded in the Official Records of Lane County, Oregon.

RESOLVED, That the following persons are elected to serve as officers of this corporation:

|                |                       |
|----------------|-----------------------|
| President      | Aubrey L. Pendergrass |
| Vice-President | Byron H. Dudley       |
| Secretary      | Jay Hendricksen       |
| Treasurer      | Jay Hendricksen       |

RESOLVED, That the president of this corporation is hereby authorized to designate a banking depository for the funds of this corporation, and the form resolution of such bank for the opening of the corporate account and the authorizing of signatures is hereby adopted as a resolution of this corporation. The

authorized check signers are the president, the secretary-treasurer and any other person designated by the president.

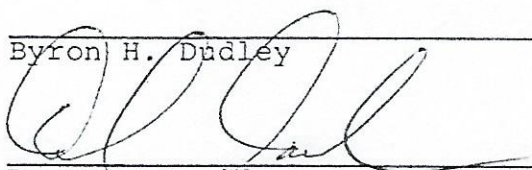
RESOLVED, That this corporation shall accept any contribution by The Southview Homeowners Association to this corporation of the domestic water system serving The Southview Subdivision. The officers of this corporation are authorized and directed to execute any documents to take any action necessary for this corporation to obtain ownership of such domestic water system.

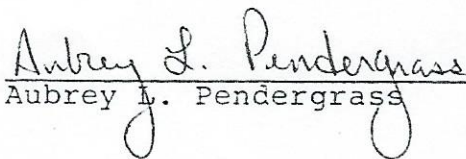
RESOLVED, That if this corporation obtains ownership of the domestic water system serving The Southview Subdivision, the president of this corporation is authorized and directed to take any action necessary to maintain and operate that system, including, but not limited to, the incurring of any expense which in the president's opinion is reasonably necessary or desirable for the purpose of such water system.

\_\_\_\_\_  
Martin R. Christman

\_\_\_\_\_  
Kenneth W. or Carol J. Dickenson

\_\_\_\_\_  
Byron H. Dudley

  
\_\_\_\_\_  
Don-Lee Davidson

  
\_\_\_\_\_  
Aubrey L. Pendergrass

\_\_\_\_\_  
Bette A. Hawk

BYLAWS OF  
SOUTHVIEW IMPROVEMENT DISTRICT

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BYLAWS OF  
SOUTHVIEW IMPROVEMENT DISTRICT

ARTICLE I - GENERAL PROVISIONS

SECTION 1. APPLICABILITY. These bylaws provide for the governance of Southview Improvement District, an Oregon nonprofit corporation which has been organized under Chapter 554 of the Oregon Revised Statutes for the purpose of providing water for domestic use within the subdivision known as The Southview Subdivision, located in Lane County, Oregon.

SECTION 2. OFFICE. The principal office of Southview Improvement District shall be located at the main office of Davidson Industries, Inc. in Mapleton, Oregon (mailing address: P.O. Box 7, Mapleton, Oregon 97453), or at such other place as may be designated from time to time by the Board of Directors.

SECTION 3. DEFINITIONS. The following words when used in these bylaws shall have the following meanings:

a. "Corporation" shall mean and refer to the Southview Improvement District.

b. "Properties" shall mean and refer to the land, and additions thereto, as are to be improved by the Corporation in accordance with its Articles of Incorporation.

c. "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of the Properties and intended to be devoted to the common use and enjoyment of the owners of the Properties.

d. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of Common Properties as heretofore defined.

e. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the legal title to any Lot or Common Properties situated upon the Properties. ✓

ARTICLE II - MEMBERS

SECTION 1. MEMBERS. The membership of the Corporation shall consists of all Owners as defined in Article I, Section 3. above. ✓

SECTION 2. ANNUAL MEETINGS. The annual meeting of the members shall be held on a Friday or Saturday during the period

from March 1 through April 30 of each year, beginning with 1989. The exact time and day shall be determined by the president of the Corporation. At the annual meeting, the members shall elect the Board of Directors and shall transact such other business as may legally come before the meeting.

SECTION 3. SPECIAL MEETINGS. Special meetings of the members may be called by the president, the Board of Directors or members who are entitled to cast twenty-five percent (25%) of the votes of the membership of the Corporation.

SECTION 4. PLACE OF MEETINGS. Meetings of the members shall be held at the principal office of the Corporation, or such other place as may be designated by the Board of Directors.

#### SECTION 5. NOTICE OF MEETINGS.

a. Written or printed notice stating the time and place of the meeting and the items on the agenda shall be delivered not less than seven (7) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary-treasurer, the Board of Directors or the persons calling the meeting, to each member entitled to vote at the meeting. In modification of the preceding sentence, if the agenda includes the setting or modification of an annual assessment, then notice shall be delivered not less than thirty (30) nor more than fifty (50) days before the date of the meeting. If mailed, the notice shall be deemed to be given when deposited in the United States mail, with postage prepaid, addressed to the member at the address of the member as shown on the records of the Corporation.

b. When a meeting is adjourned for thirty (30) days or more, or when a redetermination of the persons entitled to receive notice of the adjourned meeting is required by law, notice of the adjourned meeting shall be given in the same manner as required for an original meeting. In all other cases, no notice of the adjournment or of the business to be transacted at the adjourned meeting need be given other than by announcement at the meeting at which the adjournment is taken.

#### SECTION 6. QUORUM.

a. Members owning land representing a majority of the acreage of the Properties, represented in person or by proxy, shall constitute a quorum for the transaction of business at any members' meeting. If a person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened, that person and any proxies given to that person shall not be included for purposes of determining whether a quorum is present. The

persons present in a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough persons to leave less than a quorum.

b. Notwithstanding Section 6.a. hereof, if a quorum does not attend the regular annual meeting of the members, or any other meeting called under the provisions of these bylaws, the directors of the Corporation may call another meeting of the members on a date that is not later than sixty (60) days after the date of the meeting at which a quorum was not obtained. At such subsequent meeting, members owning land representing twenty-five percent (25%) or more of the acreage of the Properties, represented in person or by proxy, shall constitute a quorum for the transaction of business at such subsequent meeting. If a person attends that subsequent meeting for the express purpose of objecting to the transaction of any meeting on the grounds that the subsequent meeting is not lawfully called or convened, that person and any proxies given to that person shall not be included for purposes of determining whether a quorum is present. The persons present in such a duly organized subsequent meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough persons to leave less than a quorum.

c. In the absence of a quorum, a majority of the members represented in person or by proxy may adjourn the meeting from time to time until a quorum shall attend. Any business which might have been transacted at the original meeting may be transacted at the adjourned meeting if a quorum exists.

SECTION 7. PROXIES. A member may vote in person or by proxy executed in writing by the member or by the duly authorized attorney-in-fact of the member. Such proxy shall be filed with the secretary-treasurer of the Corporation before or at the time of the meeting. A proxy shall be deemed revoked only upon actual receipt of notice of such revocation by the person presiding over the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless a shorter term is provided for in the proxy.

SECTION 8. VOTING. Each member shall be entitled to one (1) vote for each acre of land within the Properties owned by that member. Members shall be entitled to vote fractions of acres owned by them, with such property entitling the member to a fraction of a vote. In the case of any Lot sold on a land sale contract, the seller and purchaser may agree upon the voting of such Lot, but in the absence of agreement, the person holding legal title shall be entitled to vote. In the case of any Lot owned by a corporation, the person designated by that corporation in writing may cast that corporation's vote; but if no person is so designated, the president of that corporation, or the president's designee, may cast such vote. When a member consists

of more than one (1) person or entity, the vote of that member shall be exercised as they, among themselves, determine, and in no event shall more than one (1) vote be cast for each acre of land within the Properties owned by that member.

SECTION 9. MAJORITY VOTE. When a quorum is present or represented at a meeting, the affirmative vote of a majority of the votes available to members, who are represented in person or by proxy and entitled to vote on the subject matter, shall be the act of the members, unless the vote of a greater number or voting by classes is required by law, the Articles of Incorporation or these bylaws, in which case the contrary provision shall be controlling.

SECTION 10. MEMBERSHIP RECORDS. It is the duty of persons having an ownership or other interest in the Properties to give the secretary-treasurer of the Corporation notice of the same, stating the nature of such interest, how and when acquired, the name or names of each person holding an interest and the address of each. The secretary-treasurer of the Corporation will keep suitable records of such information and all notices shall be given to members or persons with an interest in the Properties at the address shown in such records.

#### ARTICLE III - BOARD OF DIRECTORS

SECTION 1. NUMBER. The business and affairs of the Corporation shall be managed and controlled by a board of not less than one (1) nor more than nine (9) directors. The number of directors may be fixed or changed periodically, within the minimum and maximum, by resolution of the members of the Corporation. Directors shall be members of the Corporation. In the case of a corporate member, the person designated by that corporation in writing shall be eligible to serve as a director of the Corporation; but if no person is so designated, the president of that corporation, or the president's designee, shall be eligible to serve as a director of the Corporation.

SECTION 2. ELECTION AND TERM OF OFFICE. The members of the Board of Directors shall be elected annually for terms of one (1) year by the members of the Corporation. Each director shall hold office until that director's successor has been elected and accepts office, or until that director's death or until that director resigns or is removed in accordance with the provision of these bylaws.

SECTION 3. NOMINATION. Nominations for election of members of the Board of Directors shall be made by a nominating committee. Nominations may also be made by members from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board of

Directors, and two (2) or more members of the Corporation. In the case of a corporate member, the person designated by that corporation in writing shall be eligible to serve on the nominating committee; but if no person is so designated, the president of that corporation or the president's designee, shall be eligible to serve on the nominating committee. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Provided, that so long as the Board of Directors consists of less than three (3) members, no nominating committee shall be required.

SECTION 4. ANNUAL MEETING. A regular meeting of the Board of Directors shall be held without notice other than this bylaw immediately after the adjournment of the annual meeting of the members.

SECTION 5. SPECIAL MEETINGS. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the president or by any director.

SECTION 6. PLACE OF MEETINGS. Meetings of the Board of Directors shall be at the principal office of the Corporation or any other place designated by the Board of Directors. Meetings of the Board of Directors may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to the provisions of the immediately preceding sentence shall constitute presence in person at the meeting. All meetings of the Board of Directors shall be open to members.

SECTION 7. NOTICE OF SPECIAL MEETINGS. Special meetings of the Board of Directors may be called for any reasonable time by or at the direction of the president or any member of the Board of Directors by giving at least seventy-two (72) hours advance notice to each director by at least one of the following methods:

- a. Actual notice, oral or written;
- b. Notice by mail. In such case, notice shall be deemed to be given forty-eight (48) hours after it is deposited, with postage prepaid, in the United States mail addressed to the director at the last known address of the director's residence or the director's usual place of business; or

c. Notice by telegraph. In such case, notice will be deemed given when a copy of the notice is left at the telegraph office, with all charges prepaid, addressed to the director at the last known address of the director's residence or the director's usual place of business.

SECTION 8. WAIVER OF NOTICE. Attendance by a director at a meeting shall constitute a waiver of notice of that meeting except in the case of attendance by a director at a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

SECTION 9. QUORUM. A majority of the number of directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation or these bylaws, in which case the contrary provision shall be controlling.

SECTION 10. REMOVAL. Any one or more of the members of the Board of Directors may be removed with or without cause by the members at a regular or special meeting of the members at which a quorum is present, and a successor or successors may then and there be elected by the members to fill the vacancy or vacancies.

#### SECTION 11. VACANCIES.

a. A vacancy in the Board of Directors shall exist upon the death, resignation or removal of any director.

b. Unless filled by the members in accordance with the preceding Section 10., vacancies in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum, or by a sole remaining director. Each director so elected shall hold office for the balance of the unexpired term of his predecessor and until that director's qualified successor is elected and accepts office.

c. The members may, at an annual or special meeting, elect a director to fill any vacancy not filled by the Board of Directors as of the date of that meeting.

d. The members shall elect the additional directors in the event of an increase in the number of directors.

e. If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, a

successor may be elected by the remaining directors to take office when the resignation becomes effective.

SECTION 12. COMPENSATION. No director shall receive any compensation for any service to the Corporation as a director. However, by resolution of the Board of Directors, directors may be paid their expenses, if any, incurred in the performance of their duties.

#### ARTICLE IV - POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1. POWERS. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Corporation and may do all such acts and things and exercise for the Corporation all powers, duties and authority vested in or delegated to the Corporation and not reserved to the members by law, the Articles of Incorporation or these bylaws. Specifically, but without limitation, the Board of Directors shall have the power to:

a. Build, construct and complete any works and improvements needed to carry out the plan of improvement of the Properties as set forth in the Articles of Incorporation.

b. In the name of the Corporation, make all necessary water filings and appropriations of water for every purpose of the Articles of Incorporation.

c. Operate and maintain such works as are necessary, convenient or beneficial for said purposes.

d. Hire employees, agents and purchase machinery, equipment and supplies.

e. Generally contract with reference to any said matters as the board may determine for the purposes within the scope of the powers granted to the Corporation under ORS 554.020 to 554.340.

f. Make, establish or amend bylaws, rules and regulations prescribing the manner and mode of conducting the business of the Corporation, distributing and using water in domestic use, and enforcing the collection of rates, tolls, charges, fees, fines and assessments, but such bylaws, rules and regulations must be ratified by two-thirds (2/3) of the votes of the members of the Corporation.

g. Prescribe, fix, make, assess, and charge and collect rates, tolls, fees, fines and charges for the use of water, or for the use of any of the works of the Corporation, or for violation of any of the bylaws, rules and regulations of the Corporation.

h. Make, levy and collect any assessment for the purpose of providing the amount of money required to be raised by the Corporation through such assessments for any purpose whatsoever, including maintenance and operation, estimated delinquencies on assessments, principal and interest of maturing indebtedness, and such reserve as may be necessary.

SECTION 2. DUTIES. In addition to the duties imposed by the law, the Articles of Incorporation and these bylaws, it shall be the duty of the Board of Directors to:

a. Cause to be kept a book entitled "Records of Proceedings of Board of Directors," in which shall be recorded minutes of all meetings, proceedings, certificates, bonds and any and all corporate acts, which records shall be open at all times to the inspection of anyone interested, whether members or creditors.

b. Cause to be kept a lien docket in which, as to every tract of land of each member, all assessments or liens shall be charged and all payments shall be credited, and in which interest on any assessments in arrears shall be charged at the time of payment of any installment, to the end that such records shall show the true condition of all liens and the amount thereof.

c. Cause all money in the Corporation to be deposited with a convenient bank or a trust company in the name of the Corporation, and all funds provided to be segregated and held separate shall be so kept, and an accounting of each of such funds upon the books of the Corporation shall be correctly kept.

d. Cause to be kept a warrant register in which shall be separately kept a record of all warrants issued, the number, date and amount thereof with the name of the payee, and the date paid, showing principal and interest separately. In addition, in the event that the Corporation issues bonds, there shall be kept a register of all bonds with a description thereof, the date thereof and when issued, and generally such record shall show all outstanding bonds separately from all of the several issues and kinds of payments.

e. Fix the amount of annual assessments in accordance with Article VI of these bylaws and enforce the lien of any assessment which is delinquent for more than three (3) months.

f. Supervise all officers, agents and employees of the Corporation and see that their duties are properly performed.

g. Issue, or cause an appropriate officer to issue, upon demand of any Owner, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of such a certificate. If the certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment.

h. Procure and maintain adequate liability and hazard insurance on the works and other assets and property held by the Corporation.

i. Cause all officers or employees having fiscal responsibilities to be bonded, as the Board of Directors may deem appropriate.

j. Cause the works of the Corporation to be maintained.

k. File any necessary state and federal tax returns, and file an annual report with the Oregon Secretary of State and a copy of that report with the Lane County, Oregon, Treasurer.

#### ARTICLE V - OFFICERS

SECTION 1. DESIGNATION AND QUALIFICATION. The officers of the Corporation shall be a president and a secretary-treasurer and shall be elected by the Board of Directors.

SECTION 2. TERM. The officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting of the Board. Each officer shall hold office until that officer's successor has been duly elected and qualified or until that officer's death or until that officer resigns or is removed in accordance with the provisions of these bylaws.

SECTION 3. REMOVAL. Any officer may be removed by the Board of Directors, with or without cause, whenever, in its judgment, the best interests of the Corporation will thereby be served. Any officer may also be removed by the members at any meeting of members, with or without cause, and a successor may then and there be elected by the members.

SECTION 4. RESIGNATION. Any officer may resign at any time by giving written notice to the Board of Directors. Any such resignation shall take effect upon receipt of such notice or at any later time specified in the notice. Unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 5. COMPENSATION. No officer shall receive any compensation for service as an officer. However, at the discretion of the Board of Directors, officers may be paid for their expenses, if any, incurred in the performance of their duties.

SECTION 6. DUTIES. All officers shall have such duties and authority as the Board of Directors may designate in addition to those specifically provided in these bylaws.

SECTION 7. PRESIDENT.

a. The president shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have the responsibility for the conduct and management of the affairs of the Corporation and the general supervision of its property, interests and agents.

b. The president or the president's designee shall preside at all meetings of the members and directors, unless otherwise ordered by the Board of Directors.

c. The president shall be a member of the Board of Directors.

SECTION 8. SECRETARY-TREASURER.

a. The secretary-treasurer shall keep or cause to be kept at the principal office of the Corporation, or at such other place as the Board of Directors may order, a book of minutes of all meetings of directors and members showing the time and place of the meeting, whether it was a regular or special meeting, and if a special meeting, how authorized, the notice given, the names of those present at directors' meetings, the number of members present or represented at members' meetings and the proceedings at those meetings.

b. The secretary-treasurer shall keep or cause to be kept at the principal office of the Corporation a current list showing the names of the members and their addresses.

c. The secretary-treasurer shall give or cause to be given notice of the meetings of the members and of the Board of Directors as is required by these bylaws.

d. The secretary-treasurer shall receive and deposit in appropriate bank accounts all monies of the Corporation and shall disburse such funds as directed by the Board of Directors; keep proper books of account; and prepare an annual statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy to each of the members.

e. The secretary-treasurer shall perform those additional duties in connection with the administration of the financial affairs of the Corporation as the Board of Directors may designate.

f. The secretary-treasurer need not be a member or a director of the Corporation.

#### ARTICLE VI - ASSESSMENTS

SECTION 1. ASSESSMENT YEAR. All assessments shall be made based upon an "assessment year" which commences May 1 and ends on the following April 30 of each year.

SECTION 2. BUDGET. Prior to the annual meeting each year, the Board of Directors shall make and approve a budget setting forth the estimated expenses, charges and costs for the operation of the Corporation for the next succeeding assessment year of the Corporation. This budget shall be presented at the annual meeting of members but shall not require approval by the members.

SECTION 3. PROPOSED ASSESSMENT. After adoption of a budget, the Board of Directors shall compute the whole amount of money to be raised by the Corporation through assessments for the ensuing assessment year for any purposes whatsoever, including maintenance and operation, estimated delinquencies on assessments, principal and interest of indebtedness maturing, and such reserves as may be necessary. At the annual meeting of the members, this amount shall be presented to the members as the proposed assessment for the ensuing assessment year. This proposed assessment shall become the actual assessment for the ensuing year unless a different assessment amount is set by the members of the Corporation.

SECTION 4. ACTUAL ASSESSMENT. The annual assessment for the ensuing assessment year shall be established at the annual meeting of the members of the Corporation, with the assent of two-thirds (2/3) of the votes entitled to be cast, in person or by proxy, at the annual meeting. If no annual meeting is held in any year, or if the members do not establish an annual assessment for the ensuing assessment year at the annual meeting, then the annual assessment for the ensuing assessment year shall be the assessment amount determined by the Board of Directors pursuant to Section 3. of this Article. The annual assessment may be modified from time to time by the members at a regular or special meeting of the members at which a quorum is present.

SECTION 5. APPORTIONMENT OF ASSESSMENTS. The benefits of the works to be operated by the Corporation benefit each of the Lots within the Properties equally, without regard to the size or acreage of the various Lots and without regard to whether any

improvement has been constructed on the Lots. The Common Properties are owned and operated by The Southview Homeowners Association, an Oregon nonprofit corporation. The members of this Corporation are also members of The Southview Homeowners Association, and the benefits of the ownership and operation of the Common Properties benefit each of the Lots within the Properties equally. Therefore, the assessments of the Corporation shall be apportioned equally to all Lots within the Properties and no portion of the assessments made by the Corporation shall be apportioned to the Common Properties.

SECTION 6. NOTICE OF ASSESSMENTS. The secretary-treasurer shall promptly give written notice to each member of the amount of the actual assessment on each Lot owned by such member.

SECTION 7. PAYMENT. Annual assessments shall be fully due and payable on the first day of the assessment year, unless the Board of Directors gives not less than thirty (30) days prior written notice to all members that the annual assessments for the assessment year shall become due and payable in quarter-annual installments. If an annual assessment is payable in quarter-annual installments, the first installment shall become due on August 1 of the assessment year, and subsequent installments shall be due on the first day of the following November, February and May. Assessments shall bear interest at the rate of two-thirds ( $\frac{2}{3}$ ) of one percent (1%) per month from the maturity of each installment until paid. Any unpaid assessment and the lien thereof shall be delinquent after the date of maturity of the last installment, and may be enforced and foreclosed.

SECTION 8. LIEN OF ASSESSMENT. Annual assessments, together with interest thereon and any costs of collection, shall be a continuing lien upon the Lot assessed which shall bind such Lot in the hands of the then Owner, and that Owner's heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain the personal obligation of that Owner and shall not pass to that Owner's successors in title unless expressly assumed by them.

SECTION 9. ENFORCEMENT OF LIEN. The Board of Directors shall institute proceedings to enforce the lien of any assessment when the assessment is delinquent for more than three (3) months. If the Board of Directors fails to promptly institute and diligently prosecute in good faith proceedings for enforcement of the lien after that time and any member or creditor of the Corporation shall give written notice to the board of such delinquency and request that such procedure be instituted, and the board neglects for thirty (30) days thereafter in good faith to bring suit to enforce the lien, then, except as provided in ORS 554.140, the members of the board so failing shall each be

jointly and severally liable to the Corporation in the amount of the delinquent assessment. In any legal proceeding instituted by the Board of Directors of the Corporation, the Corporation shall be entitled to recover the costs and disbursements of such proceeding and a reasonable attorney fee at trial and on appeal if the Corporation prevails.

#### ARTICLE VII - BOOKS AND RECORDS - INSPECTION

SECTION 1. MAINTENANCE OF RECORDS. The Corporation shall maintain adequate and correct books, records and accounts of its activities and properties. All of these books, records and accounts shall be kept at the principal office of the Corporation or at the registered office of the Corporation.

SECTION 2. INSPECTION OF BOOKS AND RECORDS. All books, records and accounts of the Corporation shall be open to inspection by the members as well as all other interested persons.

#### ARTICLE VIII - MISCELLANEOUS

##### SECTION 1. SEAL.

a. The corporate seal shall be circular in form and shall have inscribed on the seal the name of the Corporation and the state of its incorporation.

b. Unless otherwise required by law, the seal may, but need not, be affixed to any document executed by the Corporation. Any officer may affix the seal.

SECTION 2. AMENDMENT OF BYLAWS. These bylaws may be amended at a regular or special meeting of the members, by a vote of two-thirds (2/3) of the votes of the membership.

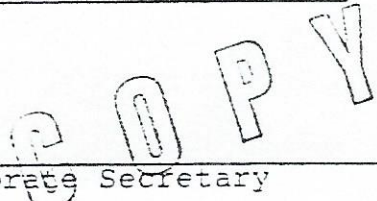
SECTION 3. WAIVER OF NOTICE. Whenever a notice is required to be given to any member or director of the Corporation by law, the Articles of Incorporation or these bylaws, a waiver of that notice in writing signed by the person or persons entitled to notice, whether before or after the time stated in the notice, shall be equivalent to the giving of notice.

##### SECTION 4. EXECUTION OF DOCUMENTS.

a. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness, issued in the name of the Association shall be signed or endorsed by the person or persons designated by the Board of Directors.

b. All other documents may be executed by the president or other officers as may be designated by the Board of Directors and may be sealed or attested by the secretary.

These bylaws were adopted by the Board of Directors on the \_\_\_\_\_ day of \_\_\_\_\_, 1989, and by the members of the Corporation on the \_\_\_\_\_ day of \_\_\_\_\_, 1989.

  
\_\_\_\_\_  
Corporate Secretary

LANDOWNERS' NOTICE

TO WHOM IT MAY CONCERN:

The undersigned are the owners of all of the following described real property:

The Southview Subdivision in its entirety as platted and recorded in file 73, Slide 533-555, Lane County Plat Records, Lane County, Oregon (the Property).

The owners of the Property have incorporated themselves under the corporate name of Southview Improvement District.

The Property will be improved as described in the Articles of Incorporation of Southview Improvement District, which are of record in the office of the Secretary of State of the State of Oregon and the Lane County, Oregon, Deed Records.

Under ORS 554.005 to 554.340, the Property shall be subject to the lien of any assessments made by Southview Improvement District, prorated and apportioned to the lots within the Property equally, without regard to the size or acreage of the various lots and without regard to whether any improvements have been constructed on the lots. No portion of the common properties of the Property, being properties and areas intended to be devoted to the common use and enjoyment of owners of lots within the Property, shall be subject to assessment by Southview Improvement District or to the lien for assessments provided for herein.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 1989.

Signature lines and notary acknowledgements for all landowners.

LANDOWNERS' NOTICE

EXHIBIT B