



Class Harbor Association

By - Laws

Revised 03/21/17

BYLAWS OF CLASS HARBOR ASSOCIATION, INC.

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ARTICLE I

PLAN OF MOORAGE

Section 1. Definitions.

The following terms shall have the following meanings:

- (a) "Association" means Class Harbor Association, Inc., an Oregon non-profit corporation.
- (b) "Board" means the Board of Directors of the Association.
- (c) "Float" means any floating platform attached to or anchored within the moorage.
Amended 9/08.
- (d) "Floating home" means any float upon which is constructed a residential dwelling unit.
- (e) "Moorage" means the floating ramps, walkways, and 24 slips suitable for mooring floating homes. The moorage also consists of Upland Property, as defined in subsection (k), and the surface estate defined in the submerged and submersible land lease with the State of Oregon, Division of State Lands. Amended 8/05; 9/08, 11/11.
- (f) "Owner" or "member" means the owner of one or more of the 24 membership certificates in the Association. The singular term shall include multiple owners of the same certificate. Amended 8/05; 11/11
- (g) "Parking Area" means the paved parking area owned by the Association for the use of the members, and the garages there upon. Amended 12/90.
- (h) "License Agreement" means the instrument in which the Association grants to a member the right to exclusively occupy a slip.
- (i) "Slip" means a berth for mooring a floating home and other floats.
- (j) "Transfer of Certificate" or "Transfer of Ownership" means any transfer, voluntary or involuntary, and includes a transfer pursuant to a duly executed Contract of Sale, notwithstanding that the vendor's name may remain on the certificate for the term of the contract pursuant to the agreement of the parties thereto. Amended 12/89.
- (k) "Upland Property" means the realty not submerged which is defined in the Deed issued to CHA by Multnomah County in September 2011 with its legal description of property (parking area, the garages, the driveway and the landscaped areas). Amended 12/90; 9/08; 11/11.

Section 2. Principal Office.

The principal office of the Association shall be located at such address as may be designated by the Board of Directors from time to time.

Section 3. Purpose.

This Association is formed under the provisions of the Oregon Non-Profit Corporation Act to serve as the means through which the members may take action with regard to the administration, management and operation of the moorage.

Section 4. Applicability of Bylaws.

All members and all other persons on or within the moorage shall be subject to these Bylaws and to all rules and regulations. Amended 9/08.

Section 5. General Summary of Moorage.

Class Harbor is a residential moorage. The moorage consists of floating ramps, walkways and 24 slips in general conformity with the layout attached hereto as Exhibit "A-1."
Amended 8/05.;11/11

The Association has been created to own, operate and maintain the moorage pursuant to the provisions of the Articles of Incorporation and the Bylaws. The affairs of the Association will be managed by the Board.

The moorage is located on the submerged and submersible lands in the bed of North Portland Harbor (Oregon Slough). Class Harbor Association holds the interest in a submerged and submersible land lease, with the State of Oregon, Division of State Lands, as lessor.
Amended 12/90.

CHA owns the upland property contiguous to the moorage. Amended 12/90;11/11

The Association, as owner of the slips in the moorage, will enter into License Agreements with each of the 24 members for occupancy of the 24 slips. Amended 12/89; 8/05.Amended 11/11.

ARTICLE II

**ASSOCIATION MEMBERSHIP, MEMBERSHIP CERTIFICATES,
VOTING MAJORITY OF OWNERS, QUORUM, PROXIES**

Section 1. Membership in the Association.

Upon becoming the legal owner or contract purchaser of a membership certificate, said "owner" shall automatically be a member of the Association and shall remain a member of the Association until such time as his/her ownership ceases for any reason. Ownership shall be determined, for all purposes of the Bylaws and the administration of the moorage, from the record of ownership maintained by the Association.

Section 2. Voting.

The owner of one or more certificates shall be a member of the Association. The purchaser of a certificate under a duly executed contract for the purchase of a certificate shall be deemed the “owner” of such certificate for these purposes. Each member shall be entitled to one vote for each certificate owned by such member; if two or more persons shall own any certificate jointly, such certificate is entitled to no more than one vote, and the co-owners shall designate in writing filed with the Secretary of the Association the one of their number who shall exercise the voting right for such certificate. Amended 12/89.

Section 3. Membership Certificates.

Membership certificates of the Association shall be in the form adopted by the Board, shall be signed by the President and the Secretary of the Association, and shall be numbered 1-24. All certificates shall bear a legend reading as follows:

The rights of any owner of this certificate are subject to the Articles of Incorporation and Bylaws of Class Harbor Association, Inc., and to all of the terms, covenants, conditions, and provisions, including rules and regulations adopted hereunder. This limits and restricts the title and rights of any transferee of this certificate. Copies of the Articles of Incorporation, Bylaws and rules and regulations are on file and are available for inspection at the office of the Association. Pursuant to the Bylaws, the Association has a continuing security interest in this certificate to secure performance of all obligations imposed on the owner of the certificate by the Articles of Incorporation, Bylaws and rules and regulations adopted hereunder. The Association shall not consent to the transfer of the certificate until any and all indebtedness of the owner to the Association is paid in full and until the transferee has executed a security agreement with the Association. The holder or holders of a membership interest shall provide the Secretary with a single address of record for delivering notices as provided in the Bylaws and regulations. The holder (joint or individual) of a membership interest is under the obligation to notify the Secretary of any change of this address.

Amended 8/05; 9/08; 11/11

Section 4. Transfer of Membership Certificates.

Pursuant to Article X, Section 4, the Association shall have a continuous security interest in each member’s certificate as security for the obligations imposed on a member by the Articles of Incorporation, these Bylaws, and rules and regulations adopted hereunder. Except where a certificate is held by a lender for the benefit of the Association, the Association shall at all times maintain possession of the certificate in order to perfect its security interest. No member may transfer his/her certificate, voluntarily or involuntarily, unless any and all of that member’s indebtedness to the Association has been paid in full and the transferee has executed a security agreement with the Association. Subject to this limitation, a member may voluntarily transfer ownership of the certificate and such transfer shall be made upon the books of the Association. Amended 12/97.

Section 5. Quorum.

Except as otherwise provided in these Bylaws, the presence in person or by proxy of those members holding at least fifty percent (50%) of the vote shall constitute a quorum. A subsequent ratification by a member of action taken at a meeting at which he was absent within fifteen (15) days of the date of the meeting shall constitute the presence of such person at such meeting for the purpose of determining a quorum and determining the vote of such action. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a member. 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 and reconvene when a quorum is present. Amended 9/08

Alternately, in accordance with OR100.428, the Board of Directors has approved the use of electronic ballots for a vote, approval or consent of a unit owner. Votes requiring a quorum (as stated in the preceding paragraph) will be submitted to owners by the Secretary via email. This ballot shall include a clear statement of the subject of the vote, allowing the membership a minimum of 7 days to respond. The Secretary shall print and keep on file each responding email ballot. The Secretary will report and note the ballot results at the Board Meeting following the balloting. After the close of the 7 day voting period, no electronic ballot may be revoked. Amended 3/17

Section 6. Majority Vote.

The term “majority vote” or “majority approval” shall mean more than fifty percent (50%) of the vote of the members, present in person, by proxy or by ratification at a meeting at which a quorum is constituted or by email ballot. Amended 03/17. The majority vote shall be binding upon all members for all purposes except where a higher percentage vote is required by law, by the Articles of Incorporation, or by these Bylaws.

Section 7. Proxies.

A vote may be cast in person or by proxy, ratification, or email ballot. Amended 3/17. A proxy given by a member to any person who represents such member, as either a member of the Association or a member of the Board, shall be in writing and signed by such member, and shall be filed with the Secretary. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy, and each proxy shall automatically cease upon sale or transfer of the membership certificate by its owner. Amended 6/03.

Section 8. Fiduciaries.

An executor, administrator, guardian or trustee may vote, in person or by proxy or by ratification with respect to any certificate held by him in such capacity, whether or not the same shall have been transferred to his name; provided, that he shall satisfy the Secretary that he is the executor, administrator, guardian or trustee, holding such certificate in such capacity.

ARTICLE III

ADMINISTRATION, MEETINGS

Section 1. Association Responsibilities.

The Association, through its Board, will have the responsibility of administering the moorage, approving the annual budget, establishing and collecting assessments, and arranging for the operation, management and maintenance of the moorage, including negotiating and contracting with and supervising any person, persons or business entity with respect to such matters.

Section 2. Place of Meetings.

Formal meetings of the Association and regular meetings of the Board shall be held at such suitable place convenient to the members as may be designated by the Board. Amended 9/08.

Section 3. Action Without Meeting.

Any action required to be taken by the directors or by the members at a meeting may be taken without a meeting. An action of the directors without meeting must be unanimous and must be indicated in writing and signed by each director. An action of the members without meeting shall be by a written ballot, which shall be distributed to the membership. Members shall be asked to sign and return the ballot by a reasonable deadline set forth in the ballot. An action approved by a ballot of the membership must be approved by a majority vote, except where a higher percentage vote is required by law, by the Articles of Incorporation, or by these bylaws. Action taken without a meeting is referred to herein as a "ballot meeting." Amended 12/97; 9/08.

Section 4. Open Meetings.

All meetings of the Board, other than emergency and executive meetings, shall be open to members. For other than emergency and executive meetings, notice of the time and place of Board meetings shall be posted on the bulletin board, as well as e-mailed, mailed, or delivered to the member's address. Amended 9/08.

Section 5. Organizational Meeting.

The first meeting of a newly elected Board shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order to legally hold such meeting, providing a majority of the newly elected directors are present.

Section 6. Annual Meeting of the Association.

The date for annual meetings of the Association shall be set at the discretion of the Board, but must be held annually under the rules and regulations as set out in the Bylaws. At such meetings, those directors to succeed those whose terms are expiring shall be elected by the members in accordance with the requirements of Section 2 of Article IV of these Bylaws. The members may also transact such other business of the Association as may properly come before them. Amended 12/89; 9/08.

Section 7. Regular Meetings of the Board.

Regular meetings of the Board shall be held at such time and place as shall be determined, from time to time, by a majority of the directors. Amended 9/08.

Section 8. Special Meetings of the Membership.

It shall be the duty of the President to call a special meeting of the members as directed by the resolution of the Board or upon a petition signed by members entitled to cast at least thirty percent (30%) of the vote having been presented to the Secretary. All meetings called because of petition of members shall be held at a formal gathering and not by ballot. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all the members or as otherwise set out in these Bylaws. Amended 9/08.

Section 9. Special Meetings of the Board of Directors.

Special meetings of the Board may be called by the President or Secretary or on the written request of at least two (2) directors. Special meetings of the Board may be called on three (3) days notice to the membership, posted on the bulletin board, given personally or by mail, telephone, or e-mail, which notice shall state the time, place and purpose of the meeting. Amended 9/08.

Section 10. Emergency Meetings.

Emergency meetings of the Board may be called by a Board member to address a condition or situation that puts the safety of a member or the moorage at risk, or jeopardizes the financial security of the moorage or otherwise requires immediate action. In emergency situations, meetings of the Board may be conducted by telephonic communication. Such telephonic meetings may be carried on by means of a "conference call" in which each director may speak with any of the other directors. The directors shall keep telephone numbers on file with the President to be used for telephonic meetings. Amended 9/08.

Section 11. Executive Meetings.

The Board of Directors shall meet in executive session, in limited circumstances, as follows:

- (a) Consultation concerning the rights and duties of the Association regarding existing or potential litigation, or criminal matters;
- (b) Consultation with legal counsel concerning any matter in subhead (a) above;
- (c) Personnel matters, including salary negotiations and employee discipline;
- (d) The negotiation of contracts with third parties, and/or consultation with legal counsel concerning same.

Except in the case of an emergency, the Board of Directors shall vote in an open meeting whether to meet in executive session. If the Board of Directors votes to meet in executive session, the presiding officer of the Board of Directors shall state the general nature of the meeting. The Secretary will take minutes of executive meetings, such minutes to remain confidential and closed. Only active members of the Board shall have access to minutes of executive meetings. Amended 9/08.

Section 12. Notice of Meetings.

It shall be the duty of the Secretary to notify all members of each annual meeting, regular meeting, special meeting of the Board, special meeting of the members, or meeting by ballot, stating the purpose thereof and the time and place where it is to be held. For all meetings except meetings of the Board, such notice shall be given at least ten (10) days, but not more than sixty (60) days, prior to such meeting or the date when ballots for a ballot meeting are required to be returned. Notice for special meetings of the Board shall be given at least three (3) days ahead of such meeting. For all meetings discussed in this Section, the notice shall be posted on the bulletin board and shall be communicated by email, or by mail, to the member's address last given the Secretary in writing by the member. The mailing or actual delivery of a notice in the manner provided in this Section shall be considered notice served. Notice of meeting may be waived by any member before or after meeting. Amended 12/89; 9/08.

Section 13. Waiver of Notice

Before, at, or after any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice to such directors shall be required, and any business may be transacted at such a meeting.

Section 14. Adjourned Meetings.

If any gathering of members is not a legal meeting because a quorum has not attended, the members who are present, either in person or by proxy, may take action subject to later ratification by a sufficient number of members to constitute legal action or may adjourn the meeting to a time not less than forty-eight (48) hours or more than thirty (30) days from the time the original meeting was called, or may cancel the meeting. No notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place. The adjournment provisions of this section do not apply to meetings by ballot.

Section 15. Order of Business.

The order of business at all meetings of the members shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees, if any;

- (f) Election of directors;
- (g) Unfinished business;
- (h) New business;
- (i) Adjournment.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number and Qualification.

The affairs of the Association shall be governed by a Board of Directors composed of four (4) officers (President, Secretary, Treasurer, Harbor Master) and three (3) other Directors, all of whom must be members of the Association. Amended 9/08.

Section 2. Election and Term of Directors.

All members of the Board of Directors shall be elected by the general membership of the Association at the annual meeting in December. Prior to November 1, the Board shall appoint a nominating committee to submit a slate of candidates for acceptance by the Board at the November meeting. In addition to the slate presented by the nominating committee, any member may nominate any other member for any open position, having secured the potential nominee's permission to be nominated and agreement to serve if elected. Said nominations shall be given to the Secretary at least fifteen (15) days prior to the annual meeting for inclusion on the ballot. Ballots shall be distributed to the membership at least fourteen (14) days prior to the annual meeting in December and shall be returned to the Secretary by date requested. Officers (President, Secretary, Treasurer, and Harbor Master) shall be elected for a period of one year, January 1 through December 31. The other members of the Board shall be elected for a three-year term, with one position expiring each year on December 31 and being filled by vote of Association membership. Amended 12/89; 9/08.

Section 3. Vacancies.

Vacancies on the Board caused by any reason other than the removal of a director by a vote of the Association shall be filled by vote of a majority of the remaining directors at any regular meeting of the Board or at any special meeting of the Board called for that purpose, even though they may constitute less than a quorum, or by a sole remaining director. Each person so elected shall be a director until a successor is elected upon expiration of the term for which such person was elected to serve. Amended 9/08.

Section 4. Removal of Directors by the Membership.

At any special meeting of the members called for that purpose, any one or more of the directors may be removed with or without cause by a majority vote of the members and a successor elected by a majority of the members, in person or by proxy, to fill the vacancy or vacancies

thus created. Amended 12/97; 9/08.

Section 5. Removal of Directors by the Board.

Upon an affirmative vote of a majority of the members of the Board, any director may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose. Amended 9/08.

Section 6. Board of Directors Quorum.

At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time and thereafter reconvene. At any such reconvened meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. Amended 9/08.

Section 7. Powers and Duties.

The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the members.

Section 8. Other Duties.

In addition to all other duties imposed and authority granted by these Bylaws or by resolutions of the Association, the Board shall have authority to carry out and shall be responsible for the following matters:

- (a) Operation, care, upkeep, maintenance repair and supervision of the moorage except to the extent this obligation is imposed herein on a member.
- (b) Determination of the amounts required for operation, maintenance and other affairs of the Association.
- (c) Collection of assessments from the members, both prorated assessments and individual assessments.
- (d) Payment of all expenses of the Association, and institution and maintenance of a voucher system for such payment, which shall require a sufficient number of signatories on checks and vouchers thereon as shall be reasonably necessary to prevent any misuse of Association funds.
- (e) Employment and dismissal of such personnel as is necessary for the maintenance, upkeep and repair of the moorage.
- (f) Employment of legal, accounting and other personnel to perform such services as may

be required for the proper administration of the Association.

- (g) Opening of bank accounts on behalf of the Association and designating the signatories required therefore.
- (h) Obtaining insurance or bonds pursuant to the provisions of these Bylaws.
- (i) Making additions and improvements to, or alterations of, the moorage; provided, however, that no such project may be undertaken by the Board if the total cost will exceed the amount of \$5,000 unless the project has been approved by at least two-thirds of the votes of the members. This limitation shall not be applicable to repairs or maintenance undertaken pursuant to paragraph (a) above. Amended 9/08.
- (j) Executing, acknowledging, delivering and recording leases, easements, rights of way, licenses and other similar interests affecting the moorage.
- (k) Promulgation and adoption of reasonable rules and regulations deemed necessary or advisable for management, administration or use of any part of the moorage, and to supplement, interpret or apply the Bylaws. The rules and regulations may be amended from time to time by the Board. The rules and regulations may provide for penalties to be charged against persons violating provisions of the Bylaws or rules, and for late charges which shall be paid in addition to interest if assessments are not paid when due. All of such penalties and late charges shall be deemed special assessments as to the member against whom they are assessed. Each owner, member, resident and guest in the moorage specifically covenants, by virtue of his/her interest in or use of any portion of the premises, that Association rules and regulations may be passed governing any portion of the moorage and that all such parties will comply with such rules and regulations.
- (l) Enforcement by legal means of the provisions of the Bylaws and such rules and regulations as may be adopted from time to time.
- (m) Arranging for all utility services for the moorage and the slips (including, if deemed appropriate, the utility services separately metered and charged to the individual members); and determining formulas for apportioning utility charges, if deemed necessary and feasible by the Board, where the same are not separately metered.

Section 9. Reports and Audits.

- (a) The Treasurer shall keep detailed, accurate records, in chronological order, of the receipts and expenditures affecting the moorage, itemizing the maintenance and repair expenses of the moorage and any other expenses incurred. Such records shall be available for examination by a member during reasonable hours. Amended 12/97.
- (b) From time to time the Board, at the expense of the Association, may obtain an audit of the books and records pertaining to the Association, such audit to be conducted by a certified public accountant who is not a member or close associate of a member and who otherwise does

not have a conflict of interest. The Board will furnish copies thereof to the members. At any time any member may, at his own expense, cause an audit or inspection to be made of the books and records of the Association. Amended 12/97; 9/08.

Section 10. Managing Agent.

The Board may employ a managing agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize. The managing agent may be an independent contractor or an employee who is not a member of the Association. The managing agent shall serve at the will and pleasure of the Board, shall be subject to termination without cause, and shall not have any agreement or contract for services the cancellation of which will provide more than minimal liquidated damages or payment for services not rendered. Amended 9/08.

Section 11. Compensation of Directors.

Compensation may be paid to directors as determined from time to time by a majority vote of the members. Amended 12/97; 9/08.

ARTICLE V

OFFICERS OF THE BOARD OF DIRECTORS

Section 1. Designation.

The officers of the Board of Directors shall be a President, a Secretary, a Treasurer, and a Harbor Master, all of whom shall be elected by the membership to serve a one-year term. The Board may appoint an assistant Treasurer, an assistant Secretary and an assistant Harbor Master, and any such other officers as in its judgment may be necessary or desirable. Amended 12/97; 9/08.

Section 2. Election of Officers.

Election of officers of the Board of Directors shall be carried out as set forth in Article IV, Section 2. Amended 7/84; 9/08.

Section 3. President.

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He/she shall have all of the general powers and duties which are usually vested in the chief executive officer of an association, including, but not limited to, the power to appoint the Architectural Control Committee and such other committees from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall have no greater or lesser voting rights on the Board than any other director. Amended 9/08.

In the absence, resignation or death of the elected President, the member of the Board of Directors with one remaining year to serve who is not an officer will be President. He/she will assume all authority and responsibility of the elected President during the President's absence. His/her term of office will be until the following annual election of directors if the elected President does not return. Amended 7/85; 9/08.

Section 4. Secretary.

The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association. The Secretary shall attend to the giving and serving of all notices to the members and directors. The Secretary shall have charge of the records of the Association as the Board may direct; and he/she shall, in general, perform all the duties incident to the office of Secretary and as may be required by the Board. Amended 12/97.

Section 5. Treasurer.

The Treasurer shall have responsibility for Association funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the preparation of all required financial statements. He/she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board. He/she shall perform all other duties incident to the office of Treasurer and as may be required by the Board. Amended 12/97.

Section 6. Harbor Master.

The Harbor Master's primary responsibility shall be to monitor and supervise the maintenance and use of all Association property. Amended 12/97.

Section 7. Agent of Record.

The Board shall appoint a registered agent for service of process and receipt of official mail. The agent shall have charge of membership records and such other records as the Board may direct. The Secretary shall notify the Secretary of State of any change of registered Agent of Record. Amended 12/97; 9/08.

ARTICLE VI

SLIPS

Section 1. Designation and Boundary.

The moorage contains 24 slips, designated as 1-24, as shown on Exhibit "A-1." Slips numbered 1-11 are 28 feet wide and 50 feet long. Slips numbered 14-24 are 28 feet wide and 40 feet long. Slip dimensions stated above are waived for all floating homes in those slips on January 30,

2006. Any of those homes that are removed from the moorage may only be replaced by a home no wider than 28 feet and the length stipulated by its slip number as above. Slip 13 is permanently 34 feet wide and 40 feet long, with at least 32 feet of dock frontage, as of December 31, 2012. Slip 12 is 46 feet wide and 52 feet long, with at least 28 feet of dock frontage. However, if the home in slip 12 as of January 30, 2006 is removed from the moorage, it may only be replaced by a home no wider than 40 feet and no longer than 50 feet.

Amended 8/05; 1/06; 9/08; 11/11, 12/12

Section 2. Occupancy by Members.

The Association, through its President, shall enter into a License Agreement with each of its members, and as those members may change from time to time, for the use and occupancy of the slip whose number corresponds to the member's membership certificate. The License Agreement shall be in the form attached hereto as Exhibit "B."

Section 3. Revocation of License Agreement.

The Association may revoke a License Agreement as provided in Article X, Section 2 (d). A License Agreement shall be revoked automatically upon the first to occur of the following events. Amended 12/97.

- (a) Sale or transfer of the member's membership certificate;
- (b) Termination, for any reason, of the Submerged Lands Lease; or
- (c) Dissolution of the Association.

Section 4. Transfer of Slip by Member.

No member shall have the right to transfer, assign or lease any interest in a slip. A member, however, shall have the right to transfer ownership of his/her membership certificate and his/her License Agreement. At the request of a member, the Board may, in its sole discretion, permit the member to lease the slip or, if occupied by a floating home, the home itself, to a non-member for a period of not less than twelve consecutive months. A member has the right to appeal the twelve-month lease requirement. Such appeal must be submitted to the board in writing.

It is the responsibility of the owner of the slip/floating home to ensure fulfillment of the following requirements:

- (a) A background screening of the potential tenant, performed by a professional tenant screening company. Should the owner request, the board will arrange for the screening, at the owner's expense.
- (b) A written lease, providing that the lessee is subject in all respects to the provisions of the Bylaws and rules and regulations and that any failure by the lessee to comply with the terms of such shall be a default under the lease.

- (c) No provision of the lease shall be in conflict with the Bylaws and rules and regulations of the Association then in effect.
- (d) The lease shall include an acknowledgment that the lessee has received and read the Bylaws and rules and regulations and agrees to abide by the terms of such.
- (e) A copy of the fully executed lease shall be filed with the Agent of Record.

All remedies available against a member may be asserted by the Board against the lessee as well as against the member-lessor. The member-lessor shall remain fully responsible to the Association for lessee's full compliance with the provisions of the Bylaws and rules and regulations adopted hereunder. Amended 12/97; 9/08.

ARTICLE VII

UPLAND PROPERTY

Section 1. Upland Property.

A TRACT OF LAND LOCATED IN THE NORTHEAST ONE QUARTER OF SECTION 32, TOWNSHIP 2 NORTH, RANGE 1 EAST, OF THE WILLAMETTE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON DESCRIBED AS FOLLOWS:

ALL THAT PORTION OF THE PROPERTY DESCRIBED IN DEED DOCUMENT NO. 2001-088812, LYING NORTHERLY OF THE NORTHERLY RIGHT-OF-WAY LINE OF N MARINE DRIVE AS DESCRIBED IN DEED FEE NO. 96085373 AND DEED RECORDED JANUARY 13. 1992 IN DEED BOOK 2496, PAGES 1409-1412.

TOGETHER WITH THE FOLLOWING PORTION OF THE PROPERTY DESCRIBED IN DEED RECORDED AUGUST 8, 1991 IN DEED BOOK 2444, PAGES 1312 AND 1313, TO MORRISON OIL COMPANY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF SAID MORRISON OIL COMPANY PROPERTY ON THE NORTH RIGHT-OF-WAY LINE OF N MARINE DRIVE (A 76.00 FOOT WIDE ROADWAY) 38.00 FEET LEFT OF CENTERLINE STATION 139+55.63: THENCE ALONG SAID LINE SOUTH 60°56'17" EAST, 50.00 FEET; THENCE LEAVING SAID LINE PARALLEL WITH THE WEST LINE OF SAID PROPERTY NORTH 29°55'04" EAST, 149.55 FEET (PASSING OVER A 5/8" IRON ROD WITH AN ORANGE PLASTIC CAP INSCRIBED "CMT PLS 2449", AT 127.93 FEET) TO THE MEAN HIGH WATER LINE OF THE SOUTH BANK OF THE NORTH PORTLAND HARBOR (COLUMBIA RIVER) AS SURVEYED ON AUGUST 16, 2011; THENCE FOLLOWING SAID BANK NORTH 50°27'22" WEST, 50.71 FEET TO ITS INTERSECTION WITH THE NORTHERLY PROJECTION OF SAID WEST LINE; THENCE ALONG SAID LINE SOUTH 29° 55'04" WEST, 158.78 FEET TO THE POINT OF BEGINNING.

TRACT CONTAINING APPROXIMATELY 76,356 SQUARE FEET .

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS MULTNOMAH COUNTY SURVEY NO. 55111 RECORDED WITH MULTNOMAH CO. ON 11/3/2011

Amended 12/90; 9/08 ;11/11

Section 2. Membership Parking.

- (a) Each member is entitled to one assigned outside parking space regardless of garage ownership. This right may be terminated as provided in Article X, Section 2 (b).
- (b) Outside parking spaces remain the property of the Association as a whole, and rights to

specific spaces do not transfer with the member's certificate. Members wishing to trade spaces may do so and shall complete the process by immediate written notification to the Agent of Record. Amended 9/08.

(c) The board shall, by rule, adopt procedures for reassigning parking spaces in all circumstances, including those where members sell or transfer their membership interest. Amended 9/08.

(d) Any vehicles or materials placed in a member's outside space must fit within the designated length and width of the space, less 9" on each side to provide passageway. Nothing may be stored in this space that detracts from the general appearance of the moorage, and the use of this space for anything other than a vehicle requires the approval of the Architectural Control Committee. Amended 5/95; 9/08.

Section 3. Garage Occupancy.

No member shall have an ownership interest in the garage improvements, notwithstanding that such member may have borne a portion or all of the cost of those improvements. A member shall, however, have the exclusive right to park in the garage space(s) assigned to that member. Upon transfer of a member's membership certificate, the exclusive right to park within a garage shall either be transferred to the transferee of the member's certificate or to another slip certificate holder, subject to the same limitations. However, each membership certificate shall include a minimum of one garage certificate with the exception of the owner of Slip 15. Amended 12/97; 11/11.

ARTICLE VIII

SUBMERGED LANDS LEASE

Section 1. Maintenance of Lease.

The Association shall maintain in full force and effect the Submerged Lands Lease, for the benefit of the members. Amended 12/90.

Section 2. Term of Lease and Renewal.

The purchase on April 25, 2011 of the 50' in front of the Morrison Oil property adjacent to the CHA property (approximately 0.29 acres) states that the lease will expire in 2025. The purchase of our original property states that the existing term expires on December 31, 2032. Upon such expiration and upon any subsequent expirations, the Board shall do all acts necessary to extend or renew the leasehold term for the benefit of the members. If the Association is unable to so extend or renew, the Association shall be dissolved and the assets distributed pursuant to the Articles of Incorporation. Amended 12/90; 11/11

ARTICLE IX

EXPENSES AND ASSESSMENTS

Section 1. Assessments.

All members are obligated to pay annual assessments imposed by the Board on behalf of the Association to meet all the Association expenses pursuant to Article IX, Section 3. Any assessment not identified as part of the regular budget shall be called a “special assessment.” All members are obligated to pay special assessments imposed by the Board, or as otherwise authorized by these Bylaws, to meet Association expenses not estimated for the coming year or budget period. Assessments may not be waived due to limited use or nonuse of the moorage or a slip. Amended 9/08.

Section 2. Determination of Association Expenses.

Association expenses shall include:

- (a) Expenses of administration;
- (b) Expenses of maintenance, repair or replacement of the moorage;
- (c) Cost of insurance or bonds obtained in accordance with these Bylaws;
- (d) Costs of funding reserves;
- (e) Any deficit in expenses for any prior period;
- (f) Utilities with a common meter or commonly billed, such as water, sewer, trash collection, and moorage lighting;
- (g) Real and personal property taxes;
- (h) Lease payments for the Submerged Lands Lease. Amended 12/90;
- (i) Purchase payments for 50-foot strip of property adjacent to 3939 N. Marine Drive. Amended 12/90; 11/11
- (j) Any other items properly chargeable as an expense of the Association;
- (k) Any other items agreed upon as common expenses by majority vote of the members.

Section 3. Annual Budget.

From time to time, and at least annually, the Board shall estimate the expenses to be incurred during the coming year or period, and determine the annual assessment and any special assessments to be paid during such year or period. Provision may be made for funding and maintaining reasonable reserves for contingencies, operations, and maintenance, repair, replacement and improvement of the moorage, particularly those elements which must be replaced on a periodic basis. Account shall be taken of any expected income and any surplus available from the prior year’s operations. The determination of assessments for any initial or partial year of operation may be made by the Board at any reasonable time. The Board may also from time to time impose special assessments against one or more members as provided herein. If any sums estimated and budgeted for any purpose at any time prove inadequate for any reason (including nonpayment for any reason of any member’s assessments), the Board may at any time levy a further assessment.

Section 4. Assessments Apply Equally to Members.

Except for special assessments levied against particular members, all regular assessments or general special assessments for expenses shall be assessed equally to all members. Amended 12/90.

Section 5. Omission of Assessments.

The omission by the Board before the expiration of any fiscal year to fix the budget estimate and assessments hereunder for the forthcoming year shall not be deemed a waiver or modification in any respect of the provisions of these Bylaws, or a release of the member from the obligation to pay the assessment or any installment thereof. The assessments fixed for the preceding year and any unpaid portions of prior special assessments shall continue until new assessments are fixed.

Section 6. Assessments, Debt – Payment by Members – Installments – Interest.

Each assessment shall be the joint and several obligation of the owner or owners of the membership certificate to which it is assessed. Each member shall pay annual assessments to the Treasurer in equal monthly installments on or before the fifth day of each month or in such other reasonable manner as the Board directs. Special assessments shall be paid in such installments and on such due dates and to such parties as the Board may direct. Any assessment installment unpaid when due shall be delinquent and become subject to any and all remedies specified in Article X. Amended 12/97.

Section 7. Separate Funds.

(a) Capital Improvements. In the case of any duly authorized addition, improvement or alteration exceeding a cost of \$5,000, the Board may by resolution establish separate and/or special assessments for the same, the proceeds of which shall be used only for the specific purposes described in the resolution. Amended 9/08.

(b) Reserve Funds. In establishing reserves for operation, maintenance, repair or replacement of those elements which must be replaced on a periodic basis, the Board may elect by resolution to establish one or more separate funds, in which case the Board shall either designate part of the regular assessment or establish separate assessments for such purposes. The proceeds there from shall be held in such funds and used only for the designated purposes.

Section 8. Statement of Common Expenses.

The Treasurer shall promptly provide any member who makes a request in writing with a written statement of his unpaid assessments. Amended 9/08.

ARTICLE X

COLLECTION OF ASSESSMENTS – ENFORCEMENT OF BYLAWS

Section 1. Authority to Enforce and Collect.

The Board shall take prompt action to enforce the provisions of these Bylaws against any violator and to collect any unpaid assessment. The Board may exercise one or more of the remedies, separately or concurrently, specified in this Article, as well as any other remedies which may be available under law. In any action to collect assessments or otherwise enforce these Bylaws, the delinquent or violating member shall pay the Association's costs and

expenses of collection and/or enforcement, including reasonable attorney's fees, whether or not suit is actually commenced. All such costs and expenses shall be deemed a special assessment as to the member against whom they are assessed.

Section 2. Cumulative Remedies.

In the event that a member fails to pay an installment of an annual or special assessment for more than thirty (30) days after it is due, or in the event that a member has violated a provision of these Bylaws or rules and regulations adopted hereunder and has failed to cure the violation within thirty (30) days after receipt of written notice from the Board of the existence of the violation, the Board has the right (but not the obligation) to take one or more of the following actions upon giving the member ten (10) days written notice of its intention to do so.

- (a) **Acceleration of Assessment.** The Board may declare the member's entire annual or special assessment due immediately and interest shall thereafter accrue on the entire assessment at eighteen percent (18%) per annum.
- (b) **Termination of Right to Park.** The Board may immediately terminate the member's right to park in the Parking Area. After such termination, the member's vehicle or vehicles in the Parking Area may, without further notice, be towed away at the member's expense.
- (c) **Abatement of Violations.** The Board may enter the slip, floating home, or float on which or as to which the violation exists and summarily abate and remove, at the expense of the member, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof and the Board shall not thereby be deemed guilty of any manner of trespass.
- (d) **Revocation of License Agreement.** The Board may revoke the License Agreement entered into with the member and demand immediate removal of the member's property, including his floating home, from the slip. If the member does not promptly remove all such property from the slip, the Association may institute legal action to require removal.
- (e) **Rental of Slip to Third Party.** Upon revocation of the License Agreement with the member, the Association may rent or lease the slip to others at such rent and on such terms as the Board, in its sole discretion, deems appropriate. All rent collected from the slip shall be applied in the following order: Cost of recovering possession, including reasonable attorney's fees; expenses of renting, unpaid assessments, plus interest; funding of the security deposit, if any, required by the Board. At such time as the Board has received sufficient funds to complete the above application, the excess rent, if any, shall be remitted to the member.
- (f) **Injunctive Relief.** The Board may institute legal action to enjoin any violation of these Bylaws and rules and regulations adopted hereunder. Amended 9/08.
- (g) **Money judgment.** The Board may institute action to collect any unpaid assessments and/or to collect any and all damages incurred by the Association and thereby obtain a money judgment against the owner or owners of the membership certificate.

Section 3. Security Deposit.

The Board may from time to time require a member to make and maintain a security deposit not in excess of six months estimated assessment installments. Such deposit shall be held in a separate fund, credited to such member, and resort may be had thereto at any time when a member is ten (10) days or more delinquent in paying the assessments or installments thereof. Security deposits required by the Board need not be uniform as to particular members.

Section 4. Security Interest.

Each member shall pledge his membership certificate to the Association as collateral for all obligations imposed on the member by these Bylaws and rules and regulations adopted hereunder. Each member, upon acceptance of his membership certificate, shall sign a security agreement in the form attached hereto as Exhibit "C." The Association shall at all times retain possession of the membership certificate to perfect the security interest granted by the member unless the certificate is being held by a lender for the benefit of the Association. Amended 12/97.

Section 5. Disposition of Collateral.

If a member has failed to pay any annual or special assessment, plus any interest that may be due on unpaid installments thereof (or on the entirety thereof if accelerated), within one hundred twenty (120) days after it is due, or if a member has violated a provision of these Bylaws or rules and regulations adopted hereunder and has failed to cure the violation within one hundred twenty (120) days after receipt of notice from the Board of the existence of the violation, the Board may exercise any and all rights of a secured party in ORS Chapter 79, including the disposition of the collateral pursuant to ORS 79. This right shall exist notwithstanding that the Board may have previously exercised other rights against the member for collection and enforcement. Amended 12/89; 9/08.

ARTICLE XI

ARCHITECTURE AND APPEARANCE

Section 1. Architectural Control.

In order to ensure that Class Harbor will remain a home owners moorage of high standards and quality, each year the President shall appoint an Architectural Control Committee composed of no less than three (3) members of the Association, at least one of whom shall be a member of the Board. The committee shall have the authority and responsibility to control every matter which affects the exterior and exterior appearance of the moorage and any floating home, float, structure or improvement of any kind, or landscaping which may be part of or connected in any way to the moorage. No floating home, float, structure or improvement of any kind, or landscaping may be connected in any way to the moorage, nor may it be altered or changed in any way after it has been connected to the moorage, without the prior written approval of the committee. The committee shall have the authority and responsibility to enforce all the architectural rules and regulations adopted by the Board. Any decision made by the Architectural Control Committee may be appealed, in writing, to the Board of Directors.

Amended 9/08.

For further Architectural guidelines, see Rules & Regulations document. Amended 9/08.

Section 2. Architectural Guidelines.

See complete Architectural Guidelines in Rules and Regulations. Amended 9/08.

Section 3. Additional Authority of Architectural Control Committee.

See complete architectural guidelines in Rules and Regulations document. Amended 6/94, 9/08.

Section 4. New Construction.

See complete details under “New Construction” in Rules and Regulations document. Amended 12/90, 9/08.

ARTICLE XII

USE RESTRICTIONS

Section 1. Pets.

No pets or animals shall be raised, kept or permitted on or in the moorage, floating homes or floats, except as follows:

- (a) Birds and fish may be kept in floating homes provided they are not kept or raised for commercial purposes.
- (b) No dogs will be permitted.
- (c) Cats will be permitted as follows:
 - (i) The owner of each cat must conform to rules and regulations of behavior as adopted and revised by the Board from time to time.
 - (ii) To help assure compliance with those rules and regulations until the Board is satisfied that a cat’s owner will voluntarily comply, the owner of the cat will deposit \$500 if demanded by the Board. If demanded, such fund will be held until the Board shall determine that there is a minimal risk of non-compliance based upon the cat’s age and observed habits of behavior over a period of not more than one (1) year. Upon such determination, the deposit shall be returned to the cat’s owner. Any interest which may have accrued shall inure to the Association.
 - (iii) If the owner of the cat fails to abide by the Board’s rules and regulations, the Board shall require that the cat be permanently removed from the moorage. If not

removed within one (1) week of written notice of that requirement, the \$500 (if still on deposit) shall be forfeited to the Association and the Board shall petition the Multnomah County Circuit Court for an order requiring removal of the cat permanently from the moorage, and/or shall exercise any or all actions or remedies set forth in Article X of the Bylaws. All costs and attorney's fees of that proceeding shall be paid by the cat's owner(s). Amended 12/01.

Section 2. Occupants of Floating Homes.

No floating home shall be occupied by more than four (4) persons. Temporary social guests of the owner shall not be deemed occupants within the meaning of this Section. Amended 12/89.

Section 3. Residential Use.

Floating homes shall be used for residential purposes only. Floats not used for floating homes shall be used for purposes consistent with the residence to which it relates. No commercial activities of any kind shall be carried on in the moorage or any floating home or float moored thereto. Amended 12/89.

Section 4. Lease of Floating Homes.

No member shall lease his floating home to another for less than twelve (12) consecutive months. Any lease agreement shall provide that the terms of this lease shall be subject in all respects to the provisions of the Bylaws and rules and regulations adopted hereunder and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing. All remedies available against a member for violation of such documents may be asserted by the Board against the lessee as well as against the member-lessor. The member-lessor shall remain fully responsible to the Association for lessee's full compliance with such documents throughout the leasehold term.

Section 5. Miscellaneous.

- (a) No garbage, trash, or other waste shall be deposited or maintained on any part of the moorage, floating homes or floats except in areas or containers designated for such items.
- (b) Members and their invitees shall exercise extreme care about creating disturbances, making noises or using musical instruments, radios, television and amplifiers that may disturb other residents.
- (c) No member or invitee shall carry on noxious or offensive activities which may be or become an annoyance or nuisance to other residents.
- (d) No boats or floating devices of any sort may be moored at Class Harbor without the consent of Class Harbor Association Board of Directors, with the following exceptions:
 - (i) Slip space has been leased by the member owner as per Article XII, Section 4.

- (ii) Consent to moor at a member owner's home given expressly by that member.
- (iii) Temporary social guests.
- (iv) Emergency purposes. Amended 12/89.

ARTICLE XIII

MAINTENANCE

The Board shall maintain the moorage in good order and repair and in a clean and attractive appearance. The standard of such maintenance and appearance shall be at the Board's sole discretion. Neither the Association nor the Board shall be liable to a member or third party for its failure to maintain any portion in a particular manner.

ARTICLE XIV

INSURANCE AND BONDS

Section 1. Fidelity Bonds.

The Board may require that any person or entity who handles or is responsible for Association funds shall furnish such fidelity bond as the Board deems adequate. The premiums on such bonds shall be paid by the Association.

Section 2. Insurance.

The Board shall secure and maintain in the name of the Association the following insurance coverage on the moorage and shall pay for the same out of common expense funds:

- (a) Fire and Extended Coverage. A policy or policies of property insurance written to ninety percent (90%) of replacement value of the moorage, including all improvements and personal property of the Association. Such insurance shall provide for protection against at least the following: loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and by debris removal, vandalism, malicious mischief and perils of the sea.
- (b) Liability Coverage. A comprehensive general liability policy or policies insuring the Association, its officers and directors acting in that capacity, and their employees, against any liability to the public incident to the ownership and/or use of the moorage. Such policy or policies will not preclude a member from recovery as a result of negligent acts of the Association. Limits of liability under such insurance policy or policies shall not be less than \$1,000,000 covering all claims for bodily injury and/or property damage arising out of a single occurrence.
- (c) Insurance coverage maintained pursuant to paragraphs (a) and (b) shall be further subject to the following:

(i) Coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premiums) without at least thirty (30) days prior written notice to the insured.

(ii) All policies of property insurance must provide that, if seventy-five percent (75%) or more in value of all the moorage property is destroyed or substantially damaged, the Association has the right to elect to restore damage or the right to take a cash settlement.

(d) Fidelity Coverage. In addition to the coverage's outlined above, the Board shall secure and maintain in the name of the Association as obligee, fidelity insurance to protect the Association against dishonest acts by its officers, directors, trustees and employees, and all others who shall be responsible for handling the funds of the Association. All such insurance shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Association, including reserves, and all such coverage shall contain waivers of any defenses based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Such insurance shall be subject to the condition that it may not be cancelled or substantially modified (including cancellation for non-payment of premiums) without at least thirty (30) days written notice to the insured.

(e) In addition to all other insurance coverage required herein, the Board shall secure and maintain in the name of the Association Workers' Compensation coverage to the extent necessary to comply with any applicable laws.

(f) The Board shall secure and maintain such other insurance for such other risks of a similar or dissimilar nature as the Board in its sole discretion deems appropriate or desirable, including insurance on the directors, officers, and Agent of Record. Amended 9/08.

Section 3. Review of Insurance Policies.

At least annually, the Board shall review all insurance carried by the Association, which review shall include an appraisal of all improvements made to the project by a representative of the insurance carrier writing the policy.

ARTICLE XV

DAMAGE AND DESTRUCTION

Section 1. Insurance Proceeds Sufficient to Cover Loss.

In case of fire, casualty or any other damage and destruction, the insurance proceeds of the policy, if sufficient to reconstruct the moorage property damaged or destroyed, shall be applied to such reconstruction. Reconstruction of the damaged or destroyed property, as used in this paragraph, means restoring the property to substantially the same condition in which it existed prior to the fire, casualty or disaster, with each slip having substantially the same boundaries as before. Such reconstruction shall be accomplished under the direction of the Board. Amended

9/08.

Section 2. Insurance Proceeds Insufficient to Cover Loss.

If the insurance proceeds are insufficient to reconstruct the damaged or destroyed property, the damage to, or destruction of such property shall be promptly repaired and restored by the Board, using the proceeds of insurance, if any, for that purpose, and all the members shall be liable for assessment for any deficiency for such reconstruction; provided, however, if seventy-five percent (75%) or more in value of all the moorage property is destroyed or substantially damaged, and if by two-thirds (2/3) or more of the votes the members agree that the property shall not be repaired, reconstructed or rebuilt, then the Association shall be dissolved and the assets distributed pursuant to the Articles of Incorporation. Amended 9/08.

**ARTICLE XVI
CONDEMNATION**

The Board shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain and to sue or defend in any litigation involving such bodies or persons with respect to the moorage. Prompt written notice of any such proceeding shall be given to the members. With respect to a taking of a portion of the moorage, the Board shall arrange for the repair or restoration out of the proceeds of the award unless by two-thirds (2/3) or more of the votes the members agree not to repair or restore. In that event, and in the event of a total taking, the Association shall be dissolved and the assets distributed pursuant to the Articles of Incorporation.

**ARTICLE XVII
AMENDMENTS TO BYLAWS**

Section 1. Proposal of Amendments.

A majority of the Board, or owners representing at least thirty percent (30%) of the voting rights, may propose amendments to the Bylaws. Amended (new) 9/08.

Section 2. Routine.

The Bylaws may be amended by the Association in a duly constituted meeting, or ballot meeting called for such purpose, if such amendment is adopted by affirmative vote of at least two-thirds (2/3) of the votes of members. Amended 12/89.

Section 3. Exception.

Section 1 notwithstanding, no amendment to Article XII shall be valid unless adopted by eighty-seven percent (87%) approval of the certificate holders. Regardless of the number of certificates held or controlled, each certificate holder shall be entitled to one vote. Amended 12/89.

Section 4. Exhibit A-1.

Exhibit A-1 will not be amended to change any member's approximate house or slip location or change the numbering of such member's house or slip unless necessary to comply with the requirements of the Department of State Lands, applicable law, or a court or administrative order. Amended 8/05.

ARTICLE XVIII

**INDEMNIFICATION OF DIRECTORS, OFFICERS
EMPLOYEES, AND AGENTS**

The Association shall indemnify any 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, whether civil, criminal, administrative, or investigative (other than an action by the Association) by reason of the fact that he 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's fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by said person in connection with such suit, action, proceeding, or appeal there from, if the person acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association, and with respect to any criminal action or proceedings, had no reasonable cause to believe his 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, shall not itself create a presumption that a person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe his conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit or proceeding as and when incurred, subject only to the right of the Association to seek reimbursement of any such payment, should it be proven at a later time that said person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a director, officer, employee or agent shall 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 which created said liability.

ARTICLE XIX

SUITS AND ACTIONS

In the event suit or action is commenced by the Board for the collection of any amount due or enforcement of any rights of the Association pursuant to these Bylaws, or rules and regulations adopted hereunder, the owner or owners of a Membership Certificate, jointly or severally, will,

in addition to all other obligations, pay the costs of such suit or action, including reasonable attorney's fees to be fixed by the trial court, and in the event of an appeal, the cost of the appeal, together with reasonable attorney's fees in the appellate court to be fixed by such court.

ARTICLE XX

MISCELLANEOUS

Section 1. Notices.

All notices to the Association or to the Board shall be sent to the President or 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 the member from time to time, in writing, to the Board, or if no address has been designated, then to the member's slip. Amended 12/97.

Section 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. Amended 9/08.

Section 3. Invalidity; Number; Captions.

The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or affect of the balance of these Bylaws. As used herein, the singular shall include the plural, and the plural the singular. The masculine, feminine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience or reference and shall in no way limit any of the provisions of these Bylaws.

ARTICLE XXI

LENDERS

Section 1. Security Interest Held by a Lender.

Notwithstanding other Articles of these Bylaws, a member who first obtains Association approval may grant a security interest in the member's Certificate to an approved institutional lender and such security interest may be enforced according to its terms without constituting a violation of any other Articles of these Bylaws. Approval of an institutional lender and the terms and conditions of the security interest will not be withheld unreasonably.

Section 2. Subordination of Association's Security Interest.

Notwithstanding other Articles of these Bylaws, the Association will subordinate its security interest in a member's Certificate to an approved lender's security interest if: 1) the lender

agrees to the terms and conditions stated in the Consent to Security Agreement attached to these Articles as Exhibit "D" and 2) the member-borrower pays the Association a Default Fund amount equal to \$1,000 or ten (10) months' assessments, whichever is greater.

The Association will subordinate its security interest in a member's Certificate to an approved lender's security interest without maintaining a Default Fund if the approved lender agrees contractually to pay all dues, assessments, special assessments and cure of any default owed by the member-borrower should the member-borrower fail to pay the Association. Amended 7/04.

Section 3. Default Fund.

The Association shall deposit payments to the Default Fund in an interest-bearing account in the Association's name. Interest on the account shall belong to the member-borrower. The member-borrower shall be obligated, at all times, to maintain in the Default Fund \$1,000 or ten (10) months' assessments, whichever is greater. Upon receipt of notice from the Board that the Default Fund is deficient, the member-borrower shall promptly deposit an amount equal to the deficiency.

The Association may withdraw from the Default Fund, without notice to the member, an amount equal to any assessments for which the member is in default. Withdrawal from the Default Fund shall in no way be construed as a cure of default; a cure of such default shall only occur if and when either the member-borrower or the lender pays all assessments owed by the member-borrower.

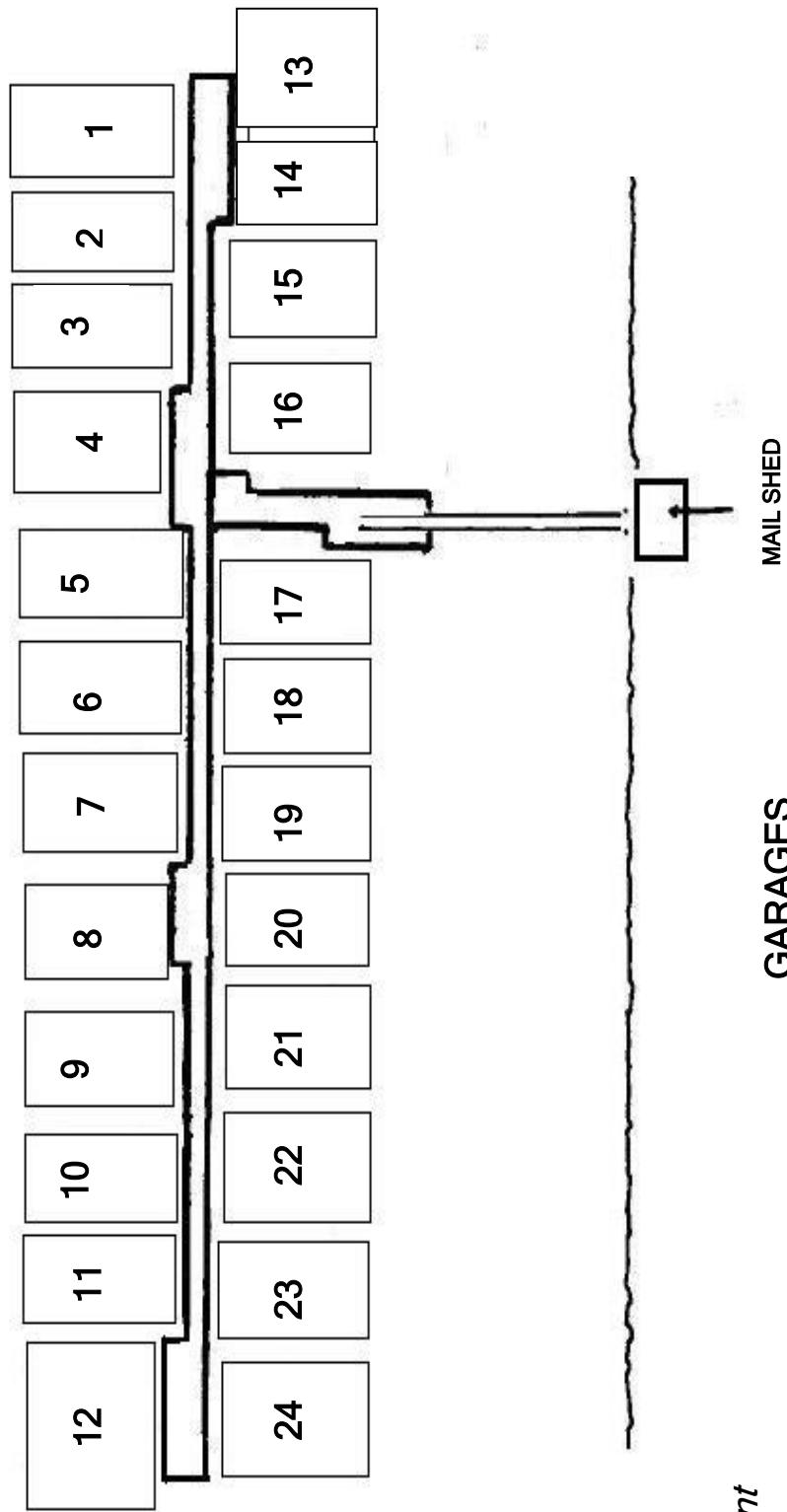
In the event that either the Lender releases its security interest in the member-borrower's Certificate, or the Certificate is validly transferred to a third party and the selling member-borrower is not in default, the Association will return to the member-borrower the remaining amount in the Default Fund, plus the interest accrued, less the income taxes incurred over the term of the deposit. Amended 7/04.

Section 4. Article Amendments.

If a member grants a security interest to an institutional lender according to the terms in this Article, then these Articles shall not be amended subsequently to impair the rights of the institutional lender. These Articles will not be amended in any way that materially affects the institutional lender without reasonably notifying the lender and obtaining lender's consent, which consent shall not be unreasonably withheld.

EXHIBIT A-1 CLASS HARBOR MOORAGE (heavy outline only)

NORTH PORTLAND HARBOR



*Document
not to
scale.
Diagram
only.*

LICENSE AGREEMENT
EXHIBIT B

THIS AGREEMENT, entered into as of this _____ day of _____, 20____,
between Class Harbor Association, Inc., an Oregon corporation ("Association"), whose
address is: 3939 N. Marine Dr. Portland, OR 97217 and _____ ,
a member of said Association ("Member"), whose address is: _____ .

RECITALS

- A. WHEREAS, Association is the owner of a residential moorage consisting of floating ramps, walkways, and 24 slips suitable for mooring floating homes ("Moorage"); and
- B. WHEREAS, Member is the owner of membership Certificate No. _____ in the Association; and
- C. WHEREAS, the Association is authorized pursuant to Article VI of its Bylaws to enter into a license agreement with each of its members for the use and occupancy of the slip whose number corresponds to the member's membership certificate.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants contained herein, the parties agree as follows:

- 1. Association hereby grants to Member a license to exclusively occupy slip number _____ in accordance with the terms and conditions of the Articles of Incorporation, the Bylaws, and such other rules and regulations as the Association through its Board of Directors, may from time to time adopt.
- 2. Member covenants and agrees to promptly and faithfully comply with all such terms and conditions and hereby acknowledges that such prompt and faithful compliance is a condition precedent to the continuation of this License Agreement.
- 3. The license granted herein may be revoked by the Association in accordance with the provisions set forth in its Bylaws and in any event the license shall be' revoked upon the earliest of the following events: a. Sale or transfer of Member's membership certificate; b. Termination, for any reason, of the Submerged Lands Sublease; or C. Dissolution of the Association.
- 4. Upon revocation of this agreement, the Member shall be deemed a tenant at sufferance and may be evicted from the slip pursuant to the forcible entry and wrongful detainer statutes, ORS 105.105 et seq.
- 5. The license granted by Association herein is personal to the Member and cannot be assigned, transferred, sold, or encumbered, either voluntarily or involuntarily, by Member.
- 6. If suit or action is instituted to enforce the provisions of this agreement, the losing party shall pay the prevailing party all such party's actual costs in connection with such suit or action, including such sums as the court or courts may judge reasonable as attorney's fees at trial and on appeal.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date first above written.

CLASS HARBOR ASSOCIATION, INC

By _____
President

Member

SECURITY AGREEMENT
EXHIBIT C

1. _____ whose address is _____ Oregon (hereinafter called "Debtor"), for a valuable consideration, receipt of which is hereby acknowledged, hereby grants to Class Harbor Association, Inc., an Oregon non-profit corporation, whose address is 3939 N. Marine Dr. Portland, Oregon (hereinafter called "Secured Party") a security interest in membership Certificate No. _____, together with all substitutions, replacements, accessories, rights and privileges affixed or connected to or used in connection therewith, as well as products and proceeds derived therefrom (all hereinafter called "Collateral") to secure performance of Debtor's obligations to Secured Party, including but not limited to payment obligations, as evidenced by and pursuant to the terms of the Bylaws of Class Harbor Association, Inc., and rules and regulations adopted thereunder, all terms of which are incorporated in this Security Agreement, and also to secure any and all other obligations, direct and indirect, absolute or contingent, now existing or hereafter arising from Debtor to Secured Party pursuant to the terms of said Bylaws and rules and regulations (all hereinafter called "Obligations"). Debtor acknowledges that he has received and reviewed a copy of said Bylaw and rules and regulations. Debtor agrees to perform all of such obligations timely.
2. At all times, Secured Party will retain possession of the Collateral, which will be kept at the office of the Association and shall not be removed from said location without the written consent of Secured Party.
3. Debtor agrees to join with Secured Party promptly in executing, filing and doing whatever may be necessary under applicable law in the future to perfect and continue the Secured Party's security interest in the Collateral.
4. Debtor agrees to notify Secured Party promptly in writing of any change in his address.
5. Debtor warrants and covenants that Debtor is the owner of said Collateral, free from any prior lien, security interest or encumbrance and will defend the Collateral against the claims and demands of all persons whomsoever.
6. Debtor further warrants and covenants that Debtor will not sell, exchange, transfer, lease or otherwise dispose of the Collateral, or suffer or permit any lien, levy or attachment thereon or security interest therein prior to that of the Secured Party, without the written consent of Secured Party.
7. All of the terms herein and the rights, duties and remedies of the parties shall be governed by the laws of the State of Oregon.
8. All of the benefits of this agreement shall inure to the Secured Party, its successors in interest and assigns, and the obligations hereunder shall be binding upon Debtor, his legal representatives, successors and assigns.
9. If there be more than one Debtor in this agreement, the obligation of each and all shall be primary and joint and several.
10. Secured Party shall not be deemed to have waived any of its rights under this agreement executed by Debtor, unless the waiver is in writing signed by the Secured Party. No delay in

exercising Secured Party's rights shall be a waiver, nor shall a waiver on one occasion operate as a waiver of such right on a future occasion. Each notice from one to the other party to this agreement shall be sufficient if served personally or given by U. S. Registered or Certified Mail, or by telegraph, addressed to the other party at his address as set forth herein or as said address may be changed by written notice to the other. Reasonable notice, when notice is required, shall be deemed to be five days from date of mailing.

11. Time is of the essence hereof. Debtor shall be in default under this agreement upon Debtor's failure to keep, observe or perform any of the obligations described herein.

12. Upon Debtor's default, Secured Party shall have each and all of the rights and remedies granted to him by the Uniform Commercial Code of Oregon and by this agreement. Debtor agrees to pay Secured Party's reasonable collection costs, attorney's fees and other expenses incurred by the latter in realizing on said Collateral. Should suit or action be instituted on this agreement, Debtor agrees to pay Secured Party's reasonable attorney's fees to be fixed by the court at trial and or appeal, and all such sums shall be included in the obligations secured hereby.

CLASS HARBOR ASSOCIATION, INC.

SECURED PARTY

By _____
President

DEBTOR

DATE

CONSENT TO SECURITY AGREEMENT

EXHIBIT D

Class Harbor Association, Inc., an Oregon corporation ("Association") acknowledges receipt of a copy of a Security Agreement relating to a certain floating home and membership certificate of _____ ("Borrower") The floating home presently is moored at Class Harbor in Slip No. ____ pursuant to a license agreement between Borrower and Association. Association has entered into the license agreement with Borrower because Borrower is the owner of membership Certificate No. _____. Said floating home is herein called the "Property." Said membership certificate is herein called the "Certificate." Said license agreement is herein called the "License Agreement." Said security agreement is herein called the "Security Agreement." Association hereby consents to the execution and performance of the Security Agreement.

Association recognizes that the Security Agreement will be given to _____ ("Lender") to secure advances made and to be made by the Lender to Borrower ("Loan") and that in agreeing to make the loan the Lender has relied upon the following agreements by Association, which are hereby confirmed:

1. Association will send to the Lender at _____ and to Borrower at 3939 N. Marine Drive, Slip _____, Portland, Oregon 97217, written notice of any default or prospective default of Borrower under the Association's Articles of Incorporation, Bylaws or any rules regulations of Association now or hereinafter applicable to Borrower (collectively, "Rules"), or the Certificate or License Agreement, whether or not any notice need be sent to Borrower. If the default is preventable or curable, the Lender shall have 120 days from the receipt of the notice within which (a) to prevent or cure the default set forth in the notice, if preventable or curable within that period, or (b) to commence and thereafter continue with diligence to prevent or cure the default, if not preventable or curable within that period.

2. Association will not exercise any right it may have to terminate or diminish Borrower's ownership or right, title or interest in and to the Property or the Certificate or License Agreement by reason of Borrower's execution of the Security Agreement or Borrower's default under the Loan or by reason of the bankruptcy or insolvency of Borrower, or by reason of any private or judicial sale of the Property by the Lender, or for any default under the Rules or Certificate or License Agreement or any other default, so long as the Lender causes all payments required by the Rules to be made on time, and causes all other covenants to be kept, subject to the terms hereof.

3. In the event of any default by Borrower under the Rules or Certificate or License Agreement, Association, Borrower, and Lender agree that:

(a) Lender without waiving its right against the Borrower shall have the right to foreclose its security interest and take over the Certificate, whether by voluntary conveyance or assignment from Borrower or other-wise, and

simultaneously or subsequently to sell the same to a third person either with or without judicial proceedings. The Lender will not sell or cause a sale to be made to a third person who has not been approved in writing by Association. Association will not unreasonably withhold its approval.

(b) Upon foreclosure of the Lender's security interest, Association shall make on its books a transfer of the membership Certificate to the third person described in (a) above, or if there is none, then until there is one, to the Lender, and shall grant a License Agreement to such third person or the Lender as the case may be, on terms and conditions the same as those contained in the License Agreement and shall for all other purposes recognize such third person or the Lender, as the case may be, as a member of Class Harbor with the rights, privileges obligations of members as set forth in Association's Bylaws as presently constituted or as they may be validly amended. Such third person or the Lender, as the case may be, shall execute the Security Agreement required by Article X, Section 4 of Association's Bylaws. It is the intention of the parties that if, upon foreclosure of the Lender's security interest there is such a third party, the foregoing transfer and agreements shall be made to and with such third party, and not the Lender, and that in any case they shall be made to and with such third party promptly upon the selection of such third party, at which time any security agreement executed by Lender in favor of Association under this subparagraph (b) shall be released.

(c) Section 3(a) of the License Agreement shall be construed by Association as if after "Sale or transfer of Member's Membership Certificate" there appear the words "other than the granting of a security interest therein to which Association has consented."

(d) Association has a security interest in Borrower's Certificate and while Lender possesses the Certificate pursuant to its own security interest, Lender also acts as Bailee for the Association pursuant to Association's security interest. However, to the extent that, as a matter of law, Lender's status as Bailee shall cause the enforceability, perfection or priority of Lender security interest to be any different than it would be if Lender had not acted as Bailee, than Lender shall have deemed not to have acted as Bailee.

4. Association hereby subordinates any and all security interests in the Certificate that Association may now have or may hereafter acquire to the security interest of Lender now existing or hereafter acquired under or pursuant to the Security Agreement. Association shall contemporaneously herewith surrender the Certificate to Lender in accordance with Section 3(d).

5. Association represents that the attached Article XXI is part of its duly adopted Bylaws, and that said article has not as of the date hereof been altered or amended.

6. If suit or action is instituted to enforce the provisions of this is agreement, the losing party shall pay the prevailing party all such party's actual costs in connection with such suit or action, including such sums as the court or courts may judge reasonable as attorney's fees at trial and on appeal.

EXECUTED, this _____ day of _____, 20____ .

ASSOCIATION, INC.

CLASS HARBOR

Member / Borrower

President

Secretary

Lender Name and Address:

Lender Signature:
