

**Salishan Leaseholders, Inc. BYLAWS
As Amended May 20th, 1995**

**ARTICLE I
NAME, FORM OF ORGANIZATION AND OFFICE**

1. The name of this organization shall be SALISHAN LEASEHOLDERS, INC.
2. The organization shall be incorporated under the laws of Oregon as a voluntary, nonprofit corporation.
3. The office of the organization shall be on the premises of Salishan, Lincoln County, Oregon.

**ARTICLE II
PURPOSE**

1. The purpose of this organization is to protect and advance the common interest of its members as Salishan leaseholders in conformity with these Bylaws.

**ARTICLE III
MEMBERSHIP**

1. All Salishan leaseholders, existing and future, shall be enrolled as members of the organization; provided, however, that any leaseholder may decline to accept such membership upon written notice to the Board of Directors.
2. Membership in the organization shall not modify the terms of the Uniform Lease from Salishan Properties, Inc. or the Uniform Lease from Salishan Leaseholders, Inc.
3. Each leasehold shall be entitled for voting purposes to one membership. Ownership of more than one leasehold shall not entitle the owner or owners to more than one membership.
4. Ownership of a Salishan apartment shall be considered as equivalent to a leasehold under these Bylaws.
5. If a corporation is the lessee, it shall designate one person to be its agent to act as the leaseholder for purposes of these Bylaws.

**ARTICLE IV
DIRECTORS**

1. The direction of affairs of the organization shall be vested in a Board of Directors, serving without remuneration. The Board shall consist of seven members each of whom shall serve for a term of two years; provided, however, that no more than two terms may be served in consecutive order. Four members shall be elected at the Annual General Meeting in even numbered years and three members shall be so elected in odd numbered years.
2. Members employed by or having a financial interest in Salishan Properties, Inc., Salishan Hills, Salishan Lodge, or their respective successors, shall not be eligible for election or appointment to the Board of Directors.
3. The Board of Directors shall have the following powers and duties:
 - a. To conduct the affairs of the organization, including all corporate business, in accordance with the Bylaws;

- b. To perform all acts necessary and proper (1) to discharge the obligations and responsibilities and to exercise the rights and remedies of the lessor as provided in the Uniform Lease; and (2) to carry out the terms and conditions of the Agreement of February 1, 1976, with Salishan Properties, Inc., and John D. Gray;

- c. To enter into agreements with any group or association of leaseholders formed to provide facilities to benefit themselves, provided that such agreements do not violate the Uniform Lease or these Bylaws.
 - d. To adopt from time to time rules and regulations pertaining to the safety and general welfare of Salishan, the lessees, and their guests, provided such rules and regulation shall not be inconsistent with nor deemed to modify the Uniform Lease or any other provision of these Bylaws.
4. If the Board of Directors contemplates an action not permitted, imposed or authorized by the Uniform Lease or these Bylaws, or the encumbrancement or pledge of any real property of this corporation, such proposed action shall first be submitted to the membership as provided in paragraph 2.b. of Article X.
 5. Four members of the Board of Directors shall constitute a quorum thereof.
 6. Newly elected Directors shall take office at a meeting of the Board to be convened no later than thirty (30) days following the Annual General Meeting. At such time the Directors shall elect from their own number a chairman, vice-chairman, secretary and treasurer. The latter two offices may be combined.
 7. Directors may be compensated for expenses incurred in the performance of their duties.

ARTICLE V ELECTION OF DIRECTORS

1. The Board of Directors at its regular monthly meeting in May of each year shall appoint a Nominating Committee of three (3) leaseholders who may also be Directors. The Committee shall nominate a candidate for election to each directorship to be filled in the ensuing term as specified in Article IV, paragraph 1. The Board shall circulate to the membership by mail at least seventy-five (75) days in advance of the date of the Annual General Meeting a list of such nominees, including a biographical sketch not exceeding fifty words. In this communication the Board shall also announce that further nominations will be in order in accordance with paragraph 2 below.
2. Additional candidates for election may be nominated by petitions, each such petition to be signed by no fewer than ten (10) leaseholds and received by the Board no later than forty-five (45) days prior to the date of the Annual General Meeting. To be valid a petition shall specify a single nominee, include a statement signed by the nominee expressing agreement to serve as a Director if elected, and provide a biographical note on the nominee not exceeding fifty (50) words.
3. The respective lists of candidates nominated under paragraphs 1 and 2 above shall be mailed by the Board to the membership, together with absentee ballots, no later than thirty (30) days prior to the date of the Annual General Meeting. To be counted such ballots must be returned to the Board on or before the date of this meeting.
4. At the Annual General Meeting the Secretary shall distribute, collect and count all ballots received including absentee ballots, and declare as succeeding Directors the four (4) nominees receiving the highest number of votes in even numbered years or the three (3) nominees receiving the highest number of votes in odd numbered years. In the event of a tie for the last position to be filled, the contest shall be decided by a majority vote of those members attending the Annual General Meeting.
5. The Board shall appoint two (2) leaseholders to assist the Secretary in the performance of his election duties at the Annual General Meeting.

6. In the event that no additional candidates are nominated by petition in a given year pursuant to the provisions of paragraph 2, the procedures specified in paragraphs 3, 4 and 5 of this ARTICLE shall be set aside in that year and the Secretary, at the Annual General Meeting, shall so certify and declare the nominees selected by the Nominating Committee to have been duly elected to serve as Directors to fill the existing vacant positions on the Board of Directors.

**ARTICLE VI
DUTIES OF OFFICERS**

1. The CHAIRMAN shall preside at all meetings of members and the Board of Directors and shall call such meetings. He shall supervise the affairs of the organization and report thereon at Annual General Meetings and at such other times as he sees fit. The Chairman shall be an ex-officio member of all committees.
2. The VICE-CHAIRMAN, in the absence or disability of the Chairman, shall perform all duties and possess all powers of the Chairman. The Vice-Chairman shall be an ex-officio member of all committees.
3. The SECRETARY shall be custodian of the records and reports of the Board and the Corporation, maintaining them in a safe and orderly manner. He shall be responsible for keeping adequate accounts of all proceedings, including minutes of meetings, and as required shall sign contracts and other documents to be executed by the Board. He shall be responsible for the preparation and dissemination of reports to leaseholders in conformity with Article XI of these Bylaws and he shall supervise elections pursuant to Article V.
4. The TREASURER shall be custodian of the Corporation's monies and shall see that accounts of all transactions are maintained and audited. He shall be responsible for the preparation of the Corporation's annual budget and the control of the expenditures thereunder. In the event of his absence or disability, the Board shall select a Director to assume his duties ad interim.

**ARTICLE VII
VACANCIES**

1. If a vacancy occurs in the office of Chairman, Vice-Chairman or Secretary-Treasurer, the Board of Directors shall elect a successor either from their own numbers or from the membership of the organization.
2. If a vacancy occurs on the Board of Directors, the Board shall appoint a member of the organization to fill the vacancy.
3. A Director may be recalled for dereliction of duty or misuse of office by a majority of leaseholders voting in accordance with the following procedures:
 - a. A petition signed by no fewer than forty (40) leaseholders shall set forth the causes of the proposed action;
 - b. The Board shall promptly circulate such petition to the membership, together with individual ballots and such statement as the accused Director may wish to submit. A period of thirty (30) days shall be allowed for the return of ballots;
 - c. At the expiration of this period all returned ballots shall be verified and counted by a member of the Board and a representative of the petitioners;
 - d. If the number of votes favoring the proposal exceeds one-half of the total number of leaseholders voting, the Board shall declare the named Director's position vacant.
4. If a Director persistently neglects the responsibilities of his position, he may be asked to resign or may be replaced by the Board of Directors.

**ARTICLE VIII
MEETINGS OF THE MEMBERSHIP**

1. An Annual General Meeting preceded by adequate notice shall be held each year at Salishan on the Saturday prior to Labor Day. The members present shall constitute a quorum.
2. Other meetings of the members may be called by the Chairman, with the approval of the Board of Directors, and must be called by him upon the request of four Directors or ten members, which latter number shall constitute a quorum. Written notice shall be mailed to all members no later than fourteen days prior to the date of such meeting.
3. Robert's Rules of Order shall prevail where not inconsistent with these Bylaws.
4. In the event of a decision by vote, a majority of the votes cast shall be conclusive.
5. Votes may be taken by mail.
6. Each member, as defined in Article III, paragraphs 3 and 4, shall be entitled to one vote.

**ARTICLE IX
MEETINGS OF THE DIRECTORS**

1. All meetings of the Board of Directors shall be held on the premises of Salishan and no act of the Board shall be valid unless approved by a majority of its members present and voting. The presence of four (4) Directors shall constitute a quorum.
2. The Board of Directors shall meet regularly at least each month on an established day to conduct the business of the organization. Any member may attend such meetings and make requests or provide information.
3. The Board may devote a portion of any meeting to an executive session of the Directors if such discretion is deemed in the best interests of the organization, provided that any policy decisions taken in executive session shall be duly noted in the minutes.
4. Special meetings of the Board of Directors may be convened by the Chairman by the giving of personal notice to each Director, and a special meeting shall be called by the Chairman upon the request of at least three (3) Directors, provided that any decisions taken at such meetings shall be duly noted in the minutes.

**ARTICLE X
CONSTRUCTION AND AMENDMENT OF BYLAWS**

1. In all questions regarding the construction and interpretation of these Bylaws an affirmative vote of the majority of the Directors shall be final unless rescinded by a majority of the members at the Annual General Meeting.
2. These Bylaws may be amended or repealed in the following manner:
 - a. Proposals may be initiated by Board of Directors or by petition of twenty (20) members;
 - b. The Board of Directors shall conduct a referendum by submitting the proposals to all members, together with adequate information and ballots. Ballots shall be counted thirty (30) days after the date of submission to the members and, if a majority of the votes cast are in favor of the proposal, the proposal shall be approved. If a majority of the votes cast oppose the proposal, the proposal shall be rejected.

**ARTICLE XI
REPORTS AND INFORMATION**

1. The Board of Directors shall circulate adequate and timely reports on matters of concern to Salishan leaseholders and affecting their interests, specifically including the annual budget, an independent auditor's annual report and policies adopted from time to time by the Board.
2. The books and records of the Corporation shall be open to inspection by any interested leaseholder on a reasonable and proper basis.

**ARTICLE XII
INDEMNIFICATION OF OFFICERS, DIRECTORS AND COMMITTEE MEMBERS**

1. The Corporation shall indemnify and reimburse any person, his heirs and personal representatives against any and all judgments, fines, amounts paid in settlement and reasonable expenses, including attorney fees actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including any appeal relating thereto, to which he or they shall be made a party by reason of his being or having been a director, officer or committee member of the Corporation. The foregoing right of indemnification or reimbursement shall not be exclusive of other rights to which such person, his heirs or personal representatives may be entitled as a matter of law or under bylaw, agreement, vote of leaseholders, or otherwise. The Corporation, its directors, officers, committee members, employees, or agents shall be fully protected in taking any action or making any payment under this Article, or in refusing to do so upon the advice of counsel.

**ARTICLE XIII
MISCELLANEOUS**

1. Use and Occupancy of Private Areas. Each leaseholder shall be entitled to the exclusive use and benefit of each unit owned by him or her except as otherwise expressly provided herein.
2. No dwelling unit may be rented or leased for a term of less than thirty (30) consecutive days.