DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR AMITY MEADOWS

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DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR AMITY MEADOWS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF Amity Meadows ("Declaration") is made this sixth day of November 2003 by Yamhill Community Development Corporation, an Oregon nonprofit corporation ("Declarant").

RECITALS

Declarant is the Owner of all the real property and improvements thereon located in the County of Yamhill, State of Oregon, described as follows:

Lots 1 through 24, inclusive as shown on the plat map of Amity Meadows filed for record on November 6, 2003, the plat records of the County of Yamhill, State of Oregon ("Property").

Declarant intends to develop the Property as a planned development. To establish the planned development project of Amity Meadows, Declarant desires to impose these mutually beneficial covenants, conditions, restrictions, easements, assessments and liens on the Property under a comprehensive general plan of improvement and development for the benefit of all of the Owners, the Lots, and the Commonly Maintained Property within the Amity Meadows.

Declarant has deemed it desirable for the efficient preservation of the values and amenities in Amity Meadows to create a non-profit corporation, to which will be delegated and assigned the powers and authority to maintain and administer the Association and the Commonly Maintained Property and facilities, to administer and enforce the covenants, conditions, and restrictions of this Declaration, and to collect and disburse the assessments and charges hereinafter created.

NOW THEREFORE, the Declarant declares that the Property shall be held, transferred, sold, conveyed and occupied subject to the following covenants, conditions, restrictions, easements, charges and liens which shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in the Property or any part thereof and shall inure to the benefit of the Association and of each Lot Owner.

ARTICLE 1
ARTICLE 1

DEFINITIONS

1.1 "Architectural and Landscape Review Committee" or "ALRC" shall refer to the Declarant until the Declarant no longer owns any Lot and then ALRC shall refer to the Board of Directors, along with any volunteering Members, acting in its capacity to carry out its architectural and landscape control duties.

1.2 "Articles" shall mean the Articles of Incorporation for the non-profit corporation, Amity Meadows Homeowners Association, as filed with the Oregon Secretary of State.

1.3 "Association" shall mean and refer to Amity Meadows Homeowners Association, its successors and assigns.

1.4 "Amity Meadows" shall mean Lots 1 through 24 included within the Plat of Amity Meadows.

1.5 "Board" or "Board of Directors" shall mean the Board of Directors of Amity Meadows Homeowners Association.

1.6 "Bylaws" shall mean and refer to the Bylaws of the Association, which shall be recorded in the Yamhill County deed records.

1.7 "Commonly Maintained Property" shall mean and refer to the Amity Meadows storm water system including but not limited to the "storm drain" easement areas designated on the Plat over Lots 20, 21, and 24, the storm drain bioswale, and the pipe(s) conveying storm water from Getchell Court to the storm drain bioswale.

1.8 "Declaration" shall mean the covenants, conditions, restrictions, and all other provisions set forth in this Declaration of Covenants, Conditions and Restrictions for Amity Meadows.

1.9 "Declarant" shall mean and refer to Yamhill Community Development Corporation, its successors or assigns, or any successor or assign to any remainder of its interest in the development of the Property.

1.10 "General Plan of Development" shall mean the Declarant's general plan of development of the Property as approved by the City of Amity, Yamhill County, and other appropriate governmental agencies, as may be amended from time to time.

1.11 "Home" shall mean and refer to any portion of a structure situated on a Lot or designed and intended for use and occupancy as a residence by a single family or household.
1.12 "Lot" shall mean and refer to each and any of Lots 1 through 24 of Amity Meadows.

1.13 "Members" shall mean and refer to the Owners of Lots in Amity Meadows and who are members of the Amity Meadows Homeowners Association.

1.14 "Occupant" shall mean and refer to the occupant of a Home who shall be either the Owner, lessee or any other person authorized by the Owner to occupy the premises.

1.15 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or a purchaser in possession under a land sale contract. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation.

1.16 "Property" shall mean and refer to all real property, including Lots 1 through 24, including that portion of Lots, which constitute the Commonly Maintained Property, and all improvements located on the real property subject to this Declaration.

1.17. "Reserve Account(s)" shall mean and refer to an account set up by the Board to hold funds for construction, improvements or maintenance of a specified portion of the Commonly Maintained Property.

1.18 "Rules and Regulations" shall mean and refer to the documents containing rules and regulations and policies adopted by the Board of the Association or the Architectural and Landscape Review Committee (ALRC) as may be from time to time amended.

ARTICLE 2

PROPERTY SUBJECT TO THIS DECLARATION/ANNEXATION

The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Yamhill County, Oregon, and described in that certain plat map entitled "Amity Meadows" filed in the plat records of Yamhill County, Oregon. The Development consists of Lots 1 through 24 and any additional real property that may be annexed to Amity Meadows by the Declarant.

ARTICLE 3

OWNERSHIP AND EASEMENTS

3.1 Non-Severability. The interest of each Owner in the use and benefit of the Commonly Maintained Property shall be appurtenant to the Lot owned by the Owner. No Lot shall be conveyed by the Owner separately from the interest in the Commonly Maintained Property. Any conveyance of any Lot shall automatically transfer the right to use the Commonly
Maintained Property without the necessity of express reference in the instrument of conveyance. There shall be no judicial partition of the Commonly Maintained Property. Each Owner, whether by deed, gift, devise or operation of law, for his own benefit and for the benefit of all other Owners, specifically waives and abandons all rights, interests and causes of action for judicial partition of any interest in the Commonly Maintained Property and does further agree that no action for judicial partition shall be instituted, prosecuted or reduced to judgment. The ownership interest in the Commonly Maintained Property and Lots described in this Article are subject to the easements granted and reserved in this Declaration and the Plat. Each of the easements reserved or granted herein shall be deemed to be established upon the recordation of this Declaration and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the Owners and their Lots and shall be superior to all other encumbrances applied against or in favor of any portion of Amity Meadows.

3.2 Ownership of Lots. Title to each Lot in Amity Meadows shall be conveyed in fee to an Owner. If more than one person and/or entity owns an undivided interest in the same Lot, such persons and/or entities shall constitute one Owner.

3.3 Easements. Individual deeds to Lots may, but shall not be required to, set forth the easements specified in this Article.

3.3.1 Easements on Plat. The Commonly Maintained Property and Lots are subject to the easements and rights of way shown on the plat of Amity Meadows.

3.3.2 Easements for Commonly Maintained Property. Every Owner shall have a non-exclusive right and easement of use and enjoyment in and to the Commonly Maintained Property (to the extent of the intended use) that shall be appurtenant to and shall pass with the title to every Lot.

3.3.3 Easements Reserved by Declarant. So long as Declarant owns any Lot or retains the right to annex additional Lots to Amity Meadows, Declarant reserves an easement over, under and across the Commonly Maintained Property in order to carry out sales activities necessary or convenient for the sale of Lots. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Commonly Maintained Property in such a way as to not unreasonably interfere with the occupancy, use, enjoyment or access to an Owner's Lot by that Owner or his family, tenants, employees, guests or invitees.

3.3.4 Additional Easements. Notwithstanding anything expressed or implied to the contrary, this Declaration shall be subject to all easements granted by Declarant for the installation and maintenance of utilities and drainage facilities necessary for the development of Amity Meadows. No structure, planting or other material shall be placed or permitted to remain within any easement area which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements shall be maintained continuously by the Owner.
of the Lot, except for those improvements for which a public authority, utility company or the Association is responsible.

3.3.5 **Association's Easements.** There are hereby reserved to the Association and its duly authorized agents and representatives such easements as are necessary to perform the duties and obligations of the Association set forth in this Declaration, the Bylaws and Articles, as the same may be amended or supplemented.

3.3.6 **Easement to Governmental Entities.** There is hereby reserved and granted a non-exclusive easement over the Commonly Maintained Property to all governmental and quasi-governmental entities, agencies, utilities, and their agents for the purposes of performing their duties within Amity Meadows.

3.4 **Subdivision.** No Lot may be subdivided into division of any nature.

**ARTICLE 4**

**LOTS AND HOMES**

4.1 **Residential Use.** Lots shall only be used for residential purposes. With the approval of the Board of Directors and subject to compliance with the City of Amity ordinances, occupants and owners of Lots may conduct such businesses, trades and crafts that do not unreasonably impact the residential use of other homes in Amity Meadows.

4.2 **Construction of Homes.** No construction of a Home or any other structure shall occur on a Lot unless the approval of the ALRC is first obtained pursuant to Article 6. Consideration such as siting, shape, size, color, design, height, solar access, or material may be taken into account by the ALRC in determining whether or not to consent to any proposed work. The following restrictions are minimum standards applicable to all Lots.

4.2.1 **Height.** Homes shall not exceed twenty-five (25) feet from the ground to the highest point of the roof nor shall any home exceed two (2) stories;

4.2.2 **Floor Area.** The living area ("conditioned space") of a Home shall not be less than eleven hundred fifty (1,000) square feet exclusive of basements, attics, patios, decks, porches, balconies and garages;

4.2.3 **Garages.** An attached, two (2) car garage must be constructed on each Lot when the Home on the Lot has been completed;

4.2.4 **Lot Coverage.** No more than fifty percent (50%) of the total square footage of a Lot may be covered by any type of structure; and

4.2.5 **Setbacks.** Setbacks shall be pursuant to City of Amity code at the time the Home is constructed.
4.2.6 Compliance With City of Amity Ordinances. Construction of all improvements on any Lot shall comply with all ordinances and regulations of the City of Amity.

4.3 Completion of Construction. The construction of any building on any Lot, including painting and all exterior finish, shall be completed within twelve (12) months from the beginning of the construction so as to present a finished appearance when viewed from any angle. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval from the ALRC. The Lot and building area shall be kept reasonably clean and in workmanlike order, free of litter, during the construction period with a garbage disposal facility located on site during such construction period. If construction has not commenced within three (3) months after the project has been approved by the ALRC, the approval shall be deemed revoked unless the Owner has applied for and received an extension of time from the ALRC.

4.4 Landscaping. Landscaping within each Lot shall commence within ninety (90) days after local government jurisdiction allows persons to occupy the Home (unless occupancy approval occurs between October 1st and December 31st in which case it shall commence by the following March 1st), and shall be completed within six (6) months after it commences.

4.5 Maintenance of Lots and Homes. Each Owner shall maintain her Lot and all improvements thereon in a clean and attractive condition, in good repair, and in such fashion as not to create a fire hazard. Such maintenance shall include, without limitation, painting, repair, replacement and care for roofs, windows, doors, garage doors, gutters, downspouts, exterior building surfaces, walks and other exterior improvements and glass surfaces. All exterior remodeling shall be subject to prior review and approval by the ALRC. In addition, each Owner shall keep all shrubs, trees, grass and plantings of every kind on his Lot or within the street right-of-way adjacent thereto neatly trimmed, properly cultivated, and free of trash, weeds and other unsightly material. Damage caused by fire, flood, storm, earthquake, riot, vandalism, or other causes shall likewise be the responsibility of each Owner and shall be restored within a reasonable period of time.

4.6 Rental of Homes.

4.6.1 Written Rental Agreements Required. An Owner shall not rent or lease all or a portion of her Home without a written rental or lease agreement that includes conditions that: (a) the tenant shall be subject to all provisions of the Declaration, Bylaws and Rules and Regulations, and (b) a failure to comply with any provision of the Declaration, Bylaws and Rules and Regulations shall constitute a default under the rental agreement;

4.6.2 Minimum Rental Period. On Owner shall not rent or lease her Home for a period of less than thirty (30) days;

4.6.3 Tenant Must Be Given Documents. An Owner must give each tenant a copy of the Declaration, Bylaws and Rules and Regulations prior to occupancy.

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4.7 **Animals.** No animals, livestock or poultry of any kind shall be raised, bred, kept or permitted within any Lot other than a reasonable number of household pets which are not kept, bred or raised for commercial purposes and which are reasonably controlled so as not to be a nuisance. Any inconvenience, damage or unpleasantness caused by such pets shall be the responsibility of the respective Owners thereof. No pets shall be permitted to roam the Property unattended, and all pets shall be kept on a leash while outside a Lot. An Owner may be required to remove a pet upon the receipt of the third notice in writing from the Board of Directors of violation of any rule, regulation or restriction governing pets within the Property.

4.8 **Nuisance.** No noxious, harmful or offensive activities shall be carried on upon any Lot or Commonly Maintained Property, nor shall anything be done or placed on any Lot or Commonly Maintained Property which interferes with or jeopardizes the enjoyment, or which is a source of annoyance to the Owner or other Occupants.

4.9 **Parking.**

4.9.1 **Restricted Parking on Getchell Court.** No parking shall be permitted along any curved section of the curb bordering Getchell Court. No parking shall be permitted within 50 feet of the intersection of Getchell Court and Rosedell Street. No parking shall be permitted on Getchell Court in violation of the ordinances or rules of the City of Amity or Yamhill County. Regardless of whether or not the ordinances or rules of the City of Amity or Yamhill County contain any restrictions on the type of vehicle that may park on Getchell Court, no Owner shall park or allow her guests, agents, or tenants to park any vehicle on Getchell Court other than passenger vehicles and pickup trucks for more than eight (8) hours. All other vehicle parking is prohibited, including but not limited to boats, trailers, all-terrain vehicles, commercial vehicles, mobile homes, motor homes, campers, other recreational vehicles or equipment regardless of weight.

4.9.2 **Parking on Lots.** Passenger vehicles and pickup trucks may be parked on paved driveways or in garages or on other paved areas constructed by the Declarant or approved by the ALRC on Lots 1 through 24. The Association may allow (conditionally or outright) or prohibit parking of any other vehicles or items, including but not limited to those listed in 4.9.1 according to the Rules and Regulations of the Association. Thus, parking boats, trailers, commercial vehicles, mobile homes, motor homes, campers, other recreational vehicles or equipment regardless of weight on any part of a Lot shall not be allowed except they may be parked in the garage or they may be parked outside the garage if specifically permitted in advance by the Association Rules and Regulations. In the event that the Association conditions such parking on screening the parked vehicles from view, such screening requires prior approval of the ALRC.

4.10 **Vehicles in Disrepair.** No Owner shall permit any vehicle which is in an extreme state of disrepair or which is not currently licensed to be abandoned or to remain parked upon any Lot or on Getchell Court for a period in excess of forty-eight (48) hours. A vehicle shall be deemed in "extreme state of disrepair" when the Board of Directors reasonably determines that its presence offends the occupants of the neighborhood. Should any Owner fail to remove such vehicle within five (5) days following the date on which the notice is mailed to
him by the Association, the Association may have the vehicle removed from the Property and charge the expense of such removal to the Owner. Owner’s purchase of its Lot subject to this condition shall be deemed to be implied permission for the Association to remove Owner’s vehicle in this situation.

4.11 **Signs.** No signs shall be erected or maintained on any Lot except that not more than one "For Sale" or "For Rent" sign placed by the Owner, Declarant or by a licensed real estate agent, not exceeding twenty-four (24) inches high and thirty-six (36) inches long, may be temporarily displayed on any Lot. The restrictions contained in this paragraph shall not prohibit the temporary placement of "political" signs on any Lot by the Owner or Occupant.

4.12 **Rubbish and Trash.** No Lot shall be used as a dumping ground for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate containers for proper disposal. Yard rakings, dirt a Getchell Court and other material resulting from landscaping work shall not be dumped onto Getchell Court. Should any Owner fail to remove any trash, rubbish, garbage, yard rakings or any such materials from any Lot or Getchell Court where deposited by him within ten (10) days following the date on which notice is mailed to him by the Board of Directors, the Association may have such materials removed and charge the expense of such removal to the Owner.

4.13 **Fences, Hedges, and Boundaries.** Owners must locate surveyor’s pins marking boundary corners before constructing fences or other structures, planting hedges, shrubs, or trees, or construction any other borders along property lines. Owners must obtain prior written approval of fences and hedge from the ALRC. No person shall construct a fence or other structure, plant a hedge, shrub, or tree, or construct any other border on or within 6” of a property line without entering into a written agreement with all adjacent Lot Owners and the Board Chair of the Association regarding the location of the improvement relative to the property line, contribution to the cost of the improvement, responsibility for the maintenance of the improvement, responsibility for maintenance of the ground adjacent to the improvement, and all other relevant matters so as to prevent a boundary dispute between the present and future Owners. The Owners shall record the agreement in the land records of Yamhill County and share the recording cost. No adjacent Lot Owner shall unreasonably withhold consent from such an agreement.

4.14 **Service Facilities.** Service facilities (fuel tanks, heat pumps excluding garbage cans etc.) shall be screened such that the elements screened are not visible at any time from the street or a neighboring property. All telephone, electrical, cable television and other utility installations shall be placed underground in conformance with applicable law and subject to approval by the ALRC.

4.15 **Antennas and Satellite Dishes.** Except as otherwise provided by law, no exterior antennas, satellite dishes, microwave, aerial, tower or other devices for the transmission or reception of television, radio or other forms of sound or electromagnetic radiation shall be erected, constructed or placed on any Lot. Provided, however, with prior written consent from the ALRC, Owners may place exterior satellite dishes or antennas with a surface diameter of one meter or less on their Lot. If acceptable quality signals can be received by placing antennas
inside a Home without unreasonable delay or unreasonable cost increase, then outdoor installation may be prohibited. The Board of Directors may adopt reasonable rules and regulations governing the installation, safety, placement, and screening of such antennas, satellite dishes, and other transmission devices so long as such rules and regulations do not unreasonably delay or increase the cost of installation, maintenance or use, or that preclude a signal of acceptable quality.

4.16 Grades, Slopes and Drainage. There shall be no interference with the established drainage patterns or systems over or through any Lot within Amity Meadows so as to affect any other Lot or any real property outside Amity Meadows unless adequate alternative provision is made for proper drainage and is approved by the ALRC. The term "established drainage" shall mean the drainage swales, conduits, inlets and outlets designed and constructed for the Project.

4.17 Damage or Destruction to Home and/or Lot. If all or any portion of a Lot or Home is damaged by fire or other casualty, the Owner shall either (a) restore the damaged improvements or (b) remove all damaged improvements, including foundations, and leave the Lot in a clean and safe condition. Any restoration proceeding under (a) above must be performed so that the improvements are in substantially the same condition in which they existed prior to the damage, unless the provisions of Article 6 are complied with by the Owner. The Owner must commence such work within sixty (60) days after the damage occurs and must complete the work within six (6) months thereafter.

4.18 Right of Maintenance and Entry by Association. If an Owner fails to perform maintenance and/or repair which he is obligated to perform pursuant to this Declaration, and if the Board determines, after notice and a hearing (given pursuant to the provisions of the Bylaws), that such maintenance and/or repair is necessary to preserve the attractiveness, quality, nature and/or value of Amity Meadows, the Board may cause such maintenance and/or repair in connection therewith to be performed and may enter any such Lot whenever entry is necessary in connection with the performance of any maintenance or construction which the Board is authorized to undertake. Entry shall be made with as little inconvenience to an Owner as practicable and only after advance written notice of not less than forty-eight (48) hours, except in emergency situations. The costs of such maintenance and/or repair shall be chargeable to the Owner of the Lot as a reimbursement assessment and collected and enforced with any other assessments authorized hereunder.

4.19 Association Rules and Regulations. The Board of Directors from time to time may adopt, modify or revoke such Rules and Regulations governing the conduct of persons and the operation and use of Lots and Commonly Maintained Property as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Property. A copy of the Rules and Regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the Board of Directors promptly to each Owner and shall be binding upon all Owners and occupants of all Lots upon the date of delivery or actual notice thereof. The method of adoption of such rules shall be provided in the Bylaws of the Association.
4.20 **Temporary Structures.** No structure of a temporary character, trailer, tent, basement, shack, garage, barn or other outbuildings shall be used as a residence, either temporarily or permanently. No owner shall construct or allow such structure to remain on its Lot without the prior, written approval of the ALRC.

4.21 **Trees.** No tree may be planted on any Lot without approval of the ALRC. The canopies of all existing and proposed trees above sidewalks shall be no less than seven (7) feet in height above the sidewalk surface.

4.22 **Surveyor Pins.** Owners shall not disturb, remove, tamper with, or alter in any way the surveyor's pins. If any Owner or its guests or agents disturbs a surveyor's pin, it shall promptly, and in no case later than 60 days after the disturbance, notify its neighbors and at its own, sole expense, have a licensed surveyor replace the pin with a new one set in exact location of the original pin.

**ARTICLE 5**

**COMMONLY MAINTAINED PROPERTY**

5.1 **Use of Commonly Maintained Property.** The Commonly Maintained Property shall be used only as a storm water disposal system.

5.2 **Maintenance of Commonly Maintained Property.** The Association shall be responsible for maintenance, repair, replacement, and upkeep of the Commonly Maintained Property. The Association shall keep the Commonly Maintained Property and improvements thereon in good condition and repair. The Association must provide for all necessary services and cause all acts to be done which may be necessary or proper to assure the maintenance of the Commonly Maintained Property as specified by Oregon Division of State Lands and or its successors or any other governing agency.

5.3 **Alterations to Commonly Maintained Property.** Only the Association shall construct, reconstruct, or alter any improvement situated upon the Commonly Maintained Property. A proposal for any construction of or alteration, maintenance or repair to an improvement may be made at any meeting. The Board, subject to the limitations contained in the Bylaws may adopt a proposal. Any changes proposed must be within the regulations enforced by the Oregon Division of State Lands and or its successors or any other governing agency.

5.4 **Funding.** Expenditures for alterations, maintenance or repairs to an existing improvement for which a reserve has been collected shall be made from the Reserve Account. As provided in Section 10.5, the Board may levy a special assessment to fund any construction, alteration, repair or maintenance of the Commonly Maintained Property for which no reserve has been collected or for which the Reserve Account is insufficient to cover the cost of the proposed improvement.
5.5 Landscaping. All landscaping on any Lot other than the Commonly Maintained Property shall be maintained and cared for by the Owner of each Lot in a manner consistent with the standards of design and quality as originally established by Declarant or the ALRC. The Association shall be responsible for all landscaping located on the Commonly Maintained Property, including regular maintenance, irrigation, fertilization, and weed abatement. Any weeds or diseased or dead lawn, tree, ground cover or shrubs shall be removed and replaced. All lawn areas shall be neatly mowed and trees and shrubs shall be neatly trimmed.

5.6 Damage or Destruction of Commonly Maintained Property. In the event any Commonly Maintained Property is damaged or destroyed by an Owner or any of his guests, Occupants, tenants, licensees, agents or members of his family in a manner that would subject such Owner to liability for such damage under Oregon law, such Owner does hereby authorize the Association to repair such damage. The Association shall repair the damage and restore the area in workmanlike manner as originally constituted or as may be modified or altered subsequently by the Association in the discretion of the Board of Directors. The reasonable cost necessary for such repairs shall become a special assessment upon the Lot and against the Owner who caused or is responsible for such damage.

ARTICLE 6

ALARCHITECTURAL AND LANDSCAPE REVIEW COMMITTEE

6.1 Architectural and Landscape Review Committee. It is the intent and purpose of this Declaration to assure new improvements meet the standards of existing improvements, new improvements’ harmonize with the existing improvements, existing improvements are preserved and enhanced, and the Owners enjoy their improvements to the fullest extent possible.

The ALRC shall regulate the external design, appearance, location, and maintenance of all the Property and of all improvements thereon. The ALRC shall adopt general rules to implement the purposes and interpret the covenants of this Declaration.

No improvement shall be commenced, erected, completed, excavated, placed, altered, planted, or allowed to grow on any Lot until the plans and specifications showing the nature, shape, heights, materials, colors, and proposed location of the improvement have been submitted to and approved in writing by the ALRC. The ALRC may require plans and specifications sufficiently accurate and detailed so as to clearly inform it of all the relevant aspects of the proposed improvement.

“Improvements” shall include all modifications to the land including but not limited to structures. “Structures” includes but is not limited to buildings, fences, walls, and any modifications or additions thereto.

“Improvements” shall also include changes to the form of the land including but not limited to excavating or building up the earth.

“Improvements” shall also include any plant or vegetation; however, with the exception of specific provisions below, the ALRC’s jurisdiction is limited to plants and vegetation greater than eight (8) feet tall or wide either at the time of planting or maturation. Size at maturation shall be what is likely or expected for the plant in the local climate and conditions. The ALRC
shall have jurisdiction over any plant that is illegal to grow or possess or is listed as a noxious weed by governmental entity having jurisdiction.

Improvements on a Lot not visible from any other Property are exempt from the ALRC's jurisdiction as long as they do not substantially affect any other Property, impair any other Owner's peaceful enjoyment of her Lot, or substantially diminish the value of any other Owner's Lot.

The ALRC is not responsible for determining compliance with structural and building codes, solar ordinances, zoning codes, noxious or nuisance plant lists, or other governmental regulations, all of which are the responsibility of the applicant. The procedure and specific requirements for review and approval of construction may be set forth in design guidelines adopted from time to time by the ALRC.

6.2 **ALRC Appointment and Removal.** Declarant shall constitute the ALRC or shall appoint one or more individuals to act as the ALRC until the time that Declarant turns over control of the Association. Thereafter, the ALRC shall consist of the Board and any Member willing to serve on the ALRC. The Board may delegate the duties of the ALRC to a committee appointed by the Board composed of not less than three (3) Owners after notice to all Owners.

6.3 **Quorum; Majority Action.** Except as otherwise provided in this Declaration, a majority of the members of the ALRC shall constitute a quorum for the transaction of business, and the acts of the majority of the members shall be the acts of the ALRC. The ALRC may render its decision only after giving notice of the application and an opportunity to be heard to all affected Owners and then only by written instrument setting forth the action taken by the members consenting thereto to the applicant and all affected Owners.

6.4 **Duties.** The ALRC shall consider and act upon the proposals and/or plans submitted pursuant to this Article. The ALRC, from time to time and at its sole discretion, may adopt architectural and landscape rules, regulations and guidelines ("Architectural and Landscape Standards"). The Standards shall interpret and implement the provisions of this Declaration for ALRC review and provide guidelines for architectural and landscape design, placement, exterior finishes, materials, and similar features which may be used in Amity Meadows; provided, however that the Standards shall not be in derogation of the minimum standards established by this Declaration.

6.5 **ALRC Decision.** The ALRC shall render its approval or denial decision with respect to the construction proposal within ten (10) working days after it has received all material required by it with respect to the application. All decisions shall be in writing. In the event the ALRC fails to render its written decision within thirty (30) days of receiving all material required by it or if an affected Owner appeals the ALRC's approval within ten (10) days of receiving a copy of the written decision, the Owner making the application or appeal shall follow the same procedure in an application or in an appeal to the Association with copies to all Members, and the Association shall consider the proposal. If both the ALRC and the Association fail to render a decision, the application shall be deemed approved on the sixtieth (60th) day following the application to the Association.
6.6 **ALRC Discretion.** The ALRC may, at its sole discretion, deny any proposed improvement if the ALRC finds the improvement would be inappropriate for the particular Lot or incompatible with the Standards the ALRC has adopted for Amity Meadows. In the case of ALRC denial, an applicant may appeal to the Association. In the case of ALRC approval, an affected Owner may appeal the decision to the Association in writing with copies to all Members, and it shall consider the appeal. The ALRC shall not have the discretion to bar factory-built homes ("manufactured or modular housing") by virtue of that fact alone; however, the ALRC may require them to have similar exterior elements (for example, lap siding on all sides, a roof pitch of no less than 5:12, one-foot wide eaves on all sides, and architectural/textured roofing).

6.7 **Nonwaiver.** Consent by the ALRC to any matter proposed to it or within its jurisdiction shall not be deemed to constitute precedent or waiver impairing its right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

6.8 **Effective Period of Consent.** The ALRC’s consent to any proposed work shall automatically be revoked three (3) months after issuance unless construction of the work has been commenced or the Owner has applied for and received an extension from the ALRC.

6.9 **Determination of Compliance.** The ALRC may inspect, from time to time, all work performed and determine whether it is in substantial compliance with the approval granted. If the ALRC finds that the work was not performed in substantial conformance with the approval granted, or if the ALRC finds that the approval required was not obtained, the ALRC shall notify the Owner in writing of the noncompliance. The notice shall specify the particulars of noncompliance and shall require the Owner to remedy the noncompliance.

6.10 **Noncompliance.** If the ALRC determines that an Owner has constructed an improvement inconsistent with the specifications of an ALRC approval, and if the Owner fails to diligently commence to remedy such noncompliance in accordance with the provisions of the notice of noncompliance, then at the expiration of the third (3rd) day from the date of such notification, the ALRC shall provide notice of a hearing to consider the Owner’s continuing noncompliance. The hearing shall be set not more than thirty (30) days from the date of notice of noncompliance. At the hearing, if the ALRC finds that there is no valid reason for the continuing noncompliance, the ALRC shall determine the estimated costs of correcting it. The ALRC shall then require the Owner to remedy or remove the same within a period of not more than ten (10) days from the date of the ALRC’s determination. If the Owner does not comply with the ALRC’s ruling within such period or within any extension of such period as the ALRC, at its discretion, may grant, the ALRC may remove the noncomplying improvement, remedy the noncompliance or fine the owner for the noncompliance. The costs of such action or fine shall be assessed against the Owner as a special assessment either before or after any remedied action is taken.

6.11 **Liability.** Neither the ALRC nor any member thereof shall be liable to any Owner, Occupant, or builder for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the ALRC or a member thereof, provided only that the member has, in accordance with the actual knowledge possessed by him, acted in good faith.
6.12 **Estoppel Certificate.** Within fifteen (15) working days after written request is delivered to the ALRC by an Owner, and upon payment to the ALRC of a reasonable fee fixed by the ALRC to cover costs, the ALRC shall provide such Owner with a certificate executed by the Chairman or other authorized member of the ALRC certifying with respect to any Lot owned by the Owner, that as of the date thereof either: (a) all improvements made or done upon or within such Lot by the Owner comply with this Declaration, or (b) such improvements do not so comply, in which event, the certificate shall also identify the noncomplying improvements and set forth with particularity the nature of such noncompliance. The Owner, his heirs, devises, successors and assigns shall be entitled to rely on the certificate with respect to the matters set forth therein. The certificate shall be conclusive as between the Declarant, the ALRC, the Association and all Owners, and such persons deriving any interest through any of them.

**ARTICLE 7**

**MEMBERSHIP IN THE ASSOCIATION**

7.1 **Members.** Each Owner shall be a mandatory member of the Association. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot. Transfer of ownership of a Lot automatically transfers membership in the Association. Without any other act or acknowledgement, Occupants and Owners shall be governed and controlled by this Declaration the Articles, Bylaws, and the Rules and Regulations of the Association and any amendments thereof.

7.2 **Proxy.** Each Owner may cast his vote by absentee ballot or pursuant to a proxy executed by the Owner. An Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy shall not be valid if it is not dated or purports to be revocable without notice. A proxy shall terminate one (1) year after its date, unless the proxy specifies a shorter term.

7.3 **Voting Rights.** The Association shall have two (2) classes of voting members:

7.3.1 **Class A.** Class A members shall be all Owners of Lots other than the Declarant, and each Class A member shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote.

7.3.2 **Class B.** The Class B member shall be Declarant, its successors and assigns. The Class B member shall have three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the earlier of:

(a) When 18 of the Lots in Amity Meadows have been sold and conveyed to Owners other than Declarant ("Termination Date"); or
(b) At such earlier time as Declarant may elect in writing to terminate Class B membership.

(c) Five (5) years after the date this Declaration is recorded.

Thereafter, each Owner, including the Declarant, shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote, and the total number of votes shall be equal to the total number of Lots except that if the Declarant owns Lot 24, it shall be entitled to the greater or one (1) vote or one (1) vote for each dwelling unit on it.

When more than one (1) person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but in no event will fractional voting be allowed. Fractional or split votes shall be disregarded, except for purposes of determining a quorum. The total number of votes as of the Termination Date and thereafter shall be equal to the total number of Lots annexed to the Property and subjected to this Declaration as of the Termination Date.

7.4 Procedure. All meetings of the Association, the Board of Directors, the ALRC, and Association committees shall be conducted with such rules of order as may from time to time by adopted by the Board of Directors. Notwithstanding which rule of order is adopted, the chairman shall be entitled to vote on all matters, not merely to break a tie vote. A tie vote does not constitute a majority or approval of any motion or resolution.

ARTICLE 8

DECLARANT CONTROL

8.1 Interim Board and Officers. The Declarant hereby reserves administrative control of the Association. The Declarant, in its sole discretion, shall have the right to appoint and remove members of the Interim Board of Directors, which shall manage the affairs of the Association and which shall be invested with all powers and rights of the Board of Directors. The Interim Board shall consist of from one to three members.

8.2 Turnover Meeting. The Declarant shall call a meeting for the purpose of turning over administrative control of the Association from the Declarant to the Class A members within ninety (90) days of the earlier of:

8.2.1 Sale of All Lots. The date that all Lots have been conveyed to persons other than the Declarant;

8.2.2 Optional Turnover. At such earlier time as Declarant elected in writing to terminate Class B membership; or

8.2.3 Five Years. Five (5) years after this Declaration is recorded.
The Declarant shall give notice of the meeting to each Owner as provided in the Bylaws. If the Declarant does not call the meeting required under this Section, any Owner may do so.

ARTICLE 9

DECLARANT'S SPECIAL RIGHTS

9.1 General. Declarant is undertaking the work of developing Lots and other improvements within Amity Meadows. The completion of the development work and the marketing and sale of the Lots is essential to the establishment and welfare of the Property as a residential community. Until the Homes on all Lots on the Property have been constructed, fully completed and sold, with respect to the Commonly Maintained Property and each Lot on the Property, the Declarant shall have the special rights set forth in this Article 9.

9.2 Marketing Rights. Declarant shall have the right to maintain a sales office and model on one or more of the Lots which the Declarant owns. The Declarant and prospective purchasers and their agents shall have the right to use and occupy the sales office and models during reasonable hours any day of the week. The Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the Property, including, without limitation, the Commonly Maintained Property.

9.3 Declarant Easements. The Declarant has reserved easements over the Property as more fully described in Section 3.3.3 hereof.

ARTICLE 10

FUNDS AND ASSESSMENTS

10.1 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owner and Occupants of Amity Meadows and for the improvement, operation and maintenance of the Commonly Maintained Property.

10.2 Covenants to Pay. Declarant and each Owner covenants and agrees to pay the Association the assessments and any additional charges levied pursuant to this Article 10.

10.2.1 Funds Held in Trust. The assessments collected by the Association shall be held by the Association for and on behalf of each Owner and shall be used solely for the operation, care and maintenance of Amity Meadows as provided in this Declaration. Upon the sale or transfer of any Lot, the Owner's interest in the funds shall be deemed automatically transferred to the successor in interest of such Owner.
10.2.2 **Offsets.** No offsets against any assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its duties.

10.3 **Basis of Assessment/Commencement of Assessments.** Assessments are to be levied against all Lots whether or not such Lots have been improved with a substantially completed Home. Assessments for all Lots shall begin one hundred eighty (180) days after the plat is recorded as set forth in Section 10.4.

10.4 **Initial Assessment/Annual Assessments.** The initial assessment in respect to each Lot shall be $8 per month or $24 per quarter per Lot. The initial assessment shall commence ninety (90) days after the recording of the subdivision plat. Thereafter, annual assessments for each fiscal year shall be established when the Board approves the budget for that fiscal year. Annual assessments shall be levied on a fiscal year basis. The fiscal year shall be the calendar year unless another year is adopted by vote of the Association members. Unless otherwise specified by the Board, annual assessments shall be due and payable in quarterly installments on the first day of each quarter during the term of this Declaration. The Board may give discounts for Owners who pay the entire annual assessment before it is due in a single payment by a date set by the Board.

10.4.1 **Budgeting.** Regardless of the number of Members or the amount of assets of the Association, each year the Board shall prepare, approve and make available to each Member a pro forma operating statement (budget) containing: (a) estimated revenue and expenses on an accrual basis; (b) the amount of the total cash reserves of the Association currently available for replacement or major repair of the Commonly Maintained Property and for contingencies; (c) an itemized estimate for the remaining life of, and the methods of funding to defray repair, replacement or additions to major components of the Commonly Maintained Property; and (d) a general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Commonly Maintained Property. For the first fiscal year, the budget shall be approved by the Board no later than the date on which annual assessments are scheduled to commence. Thereafter, the Board shall annually prepare and approve the budget. Within thirty (30) days after adopting the budget, the Board shall provide a summary of the budget to all Owners. The Board shall deliver written notice of the amount of the annual assessments to be levied against the Owner's Lot, not less than thirty (30) days and not more than ninety (90) days prior to the beginning of the fiscal year. After a new Phase has been annexed, the Board shall approve a new budget for the remainder of the current fiscal year for use upon commencement of annual assessments against Lots in the new Phase.

10.4.2. **Allocation of Assessments.** The total amount in the budget shall be charged equally against all Lots as Annual Assessments.

10.4.3. **Nonwaiver of Assessments.** If before the expiration of any fiscal year the Association fails to fix annual assessments for the next fiscal year, the annual assessments established for the preceding year shall continue until a new annual assessment is fixed.
10.4.4 **Common Profits.** All common profits derived from the Commonly Maintained Property shall be income of the Association.

10.5 **Special Assessments.** The Board of Directors shall have the power to levy special assessments against an Owner or all Owners in the following manner for the following purposes:

10.5.1 **Correct Deficit.** To correct a deficit in the operating budget, by vote of a majority of the Board;

10.5.2 **Special Obligations of an Owner.** To collect amounts due to the Association from an Owner for breach of the Owner's obligations under the Declaration, these Bylaws, or the Rules and Regulations, by vote of a majority of the Board;

10.5.3 **Repairs.** To make repairs or renovations to the Commonly Maintained Property if sufficient funds are not available from the operating budget or replacement reserve accounts, by vote of a majority of the Board; or

10.5.4 **Reimbursement Assessments.** The Association shall levy a reimbursement assessment against any Owner and his Lot if a failure to comply with the Declaration, Bylaws or any Rules and Regulations has (a) necessitated an expenditure of monies by the Association to bring the Owner into compliance or (b) resulted in the imposition of a fine or penalty. A reimbursement assessment shall be due and payable to the Association when levied. The Association shall not levy a reimbursement assessment until opportunity for a hearing has been given.

10.6 **Accounts.**

10.6.1 **Types of Accounts.** Assessments collected by the Association shall be deposited into at least two (2) separate accounts with a bank, which accounts shall be clearly designated as (a) the Current Operating Account and (b) the Reserve Account. The Board shall deposit those portions of the assessments collected for current maintenance and operation into the Current Operating Account and shall deposit those portions of the assessments collected as reserves for replacement and deferred maintenance of capital improvements into the Reserve Account. Withdrawal of funds for the Association's Reserve Account shall require the signatures of either two (2) Directors or one (1) Director and an officer of the Association who is not a Director.

10.6.2 **Reserve Account.** The Association shall pay out of the Reserve Account only those costs that are attributable to the maintenance, repair or replacement of capital improvements for which reserves have been collected and held. No funds collected for the Reserve Account may be used for ordinary current maintenance and operation purposes.

10.6.3 **Current Operating Account.** All other costs may be paid from the Current Operating Account.
10.7 Default in Payment of Assessments, Enforcement of Liens.

10.7.1 Personal Obligation. All assessments properly imposed under this Declaration or the Bylaws shall be the joint and several personal obligations of all Owners of the Lot to which such assessment pertains. In a voluntary conveyance (that is, one other than through foreclosure or a deed in lieu of foreclosure) the grantees shall be jointly and severally liable with the grantor(s) for all Association assessments imposed through the recording date of the instrument effecting the conveyance. A suit for a money judgment may be initiated by the Association to recover such assessments without either waiving or foreclosing the Association's lien.

10.7.2 Association Lien. At any time any assessment (of any type provided for by this Declaration or the Bylaws) or installment thereof is delinquent, the Association, by and through its Board or any management agent, may file a notice of lien in the deed records of Yamhill County, Oregon, against the Lot in respect to which the delinquency pertains. Once filed, such lien shall accumulate all future assessments or installments, interest, late fees, penalties, fines, attorneys' fees (whether or not suit or action is instituted) and other appropriate costs properly chargeable to an Owner by the Association, until such amounts are fully paid. Said lien may be foreclosed at any time, but not later than six (6) years after the latest lienable charge has been imposed. The lien of the Association shall be superior to all other liens and encumbrances except property taxes and assessments, any first mortgage, deed of trust or land sale contract recorded previously to the Association's notice of lien and any mortgage or deed of trust granted to an institutional lender which is recorded previously to the Association's notice of lien.

10.7.3 Interest; Fines; Late Fees; Penalties. The Board in its reasonable discretion may from time to time adopt resolutions to set the rate of interest, and to impose late fees, fines and penalties on delinquent assessments or for violations of the provisions of this Declaration, the Bylaws and the Rules and Regulations adopted by the Board or the ALRC. The adoption of such impositions shall be communicated to all Owners in writing not less than thirty (30) days before the effective date by a notice mailed to the assessment billing addresses of such Owners. Such impositions shall be considered assessments which are lienable and collectible in the same manner as any other assessments. Provided, however, fines or penalties for violation of this Declaration, the Bylaws or any rule and regulation, other than late fees, fines or interest arising from an Owner's failure to pay regular, special or reimbursement assessments, may not be imposed against an Owner or his Lot until such Owner is given an opportunity for a hearing as elsewhere provided herein.

10.7.4 Acceleration of Assessments. In the event an Owner is delinquent in payment of any assessment or installment on any assessment, the Association, upon not less than ten (10) days' written notice to the Owner, may accelerate the due date of the full annual assessment for that fiscal year and all future installments of any special assessments.

10.7.5 Association's Right to Rents/Receiver. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting Owner for the use of his Lot or shall be entitled to the appointment of a
Receiver. Any default by the Owner in any provisions of the Declaration or Bylaws shall be deemed to be a default by the Owner of any mortgage to which the Owner is a party or to which the Lot is subject.

ARTICLE 11

GENERAL PROVISIONS

11.1 Records. The Board of Directors shall preserve and maintain minutes of the meetings of the Association, the Board and any committees. The Board of Directors shall also keep detailed and accurate financial records including individual assessment accounts of Owners, the balance sheet, and income and expense statements. Individual assessment accounts shall designate the name and address of the Owner or Owners of the Lot, the amount of each assessment as it becomes due, the amounts paid upon the account, and the balance due on the assessments. The minutes of the Association, the Board and committees, and the Association's financial records shall be reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Association for providing copies.

11.2 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 attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he 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 of 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 reimbursement of such payment from such person, should it be proven at a later time that such 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.

11.3 Enforcement/Attorneys' Fees. The Association and the Owners within the Property or any mortgagee on any Lot shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens and charges now or hereinafter imposed by
any of the provisions of this Declaration as may appertain specifically to such parties or owners by any proceeding at law or in equity. Failure by either the Association or by any Owner or mortgagee to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of their right to do so thereafter. In the event suit or action is commenced to enforce the terms and provisions of this Declaration, the prevailing party shall be entitled to its attorney fees and costs in such suit or action to be fixed by the trial court, and in the event of an appeal, the cost of the appeal, together with reasonable attorney fees, to be set by the appellate court. In addition thereto, the Association shall be entitled to its reasonable attorney fees incurred in any enforcement activity taken to collect delinquent assessments, whether or not suit or action is filed.

11.4 Severability. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall not affect the other provisions hereof and the same shall remain in full force and effect.

11.5 Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the land for a term of thirty-five (35) years from the date of this Declaration being recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless rescinded by a vote of at least seventy-five percent (75%) of the Owners and seventy-five percent (75%) of the first mortgagees. Provided however, amendments which do not constitute rescission of the planned community may be adopted as provided in Section 11.6. Additionally, any such rescission, which affects the Commonly Maintained Property, shall require the prior written consent of Yamhill County and/or the City of Amity. Provided, however, that if any of the provisions of this Declaration would violate the rule against perpetuities or any other limitation on the duration of the provisions herein contained imposed by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law or, in the event the rule against perpetuities applies, until twenty-one (21) years after the death of the last survivor of the now living descendants of former President George Bush.

11.6 Amendment. Except as otherwise provided in 11.5 and the restrictions set forth elsewhere herein, this Declaration may be amended at any time by an instrument approved by not less than seventy-five percent (75%) of the total votes of each class of members that are eligible to vote. Any amendment must be executed, recorded and certified as provided by law. Provided, however, that no amendment of this Declaration shall effect an amendment of the Bylaws or Articles without compliance with the provisions of such documents, and the Oregon Non-Profit Corporation Act. Provided further, no amendment affecting the general plan of development or any other right of the Declarant herein contained may be effected without the express written consent of the Declarant or its successors and assigns.

11.7 Release of Right of Control. The Declarant may give up its right of control in writing at any time by notice to the Association.

11.8 Unilateral Amendment by Declarant. In addition to all other special rights of the Declarant provided in this Declaration, the Declarant may amend this Declaration in order to comply with the requirements of the Federal Housing Administration of the United States, the
Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any other state in which the Lots are marketed and sold, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon, or such other state, the approval of which entity is required in order for it to insure, guarantee or provide financing in connection with development of the Property and sale of Lots. Prior to the Turnover Meeting, no such amendment shall require notice to or approval by any Class A member.

11.9 **Resolution of Document Conflicts.** In the event of a conflict among any of the provisions in the documents governing Amity Meadows, such conflict shall be resolved by looking to the following documents in the order shown below:

1. Declaration;
2. Articles;
3. Bylaws;
4. Rules and Regulations.

IN WITNESS WHEREOF, the undersigned being Developer herein, has executed this instrument this day of __________, 2003.

YAMHILL COMMUNITY DEVELOPMENT CORPORATION

By: ________________________________
   Its: ________________________________

STATE OF OREGON

County of __________ ) ss.

Personally appeared M. Teresa Smith, who, on the __________ day of __________, 2003, being duly sworn, did say that he/she is the President of Yamhill Community Development Corporation, an Oregon nonprofit corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of its board of directors; and they acknowledged said instrument to be its voluntary act and deed.

NOTARY PUBLIC FOR OREGON

[Stamp]

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BYLAWS OF

AMITY MEADOWS HOMEOWNERS ASSOCIATION

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BYLAWS

OF

AMITY MEADOWS HOMEOWNERS ASSOCIATION

ARTICLE 1

PLAN OF LOT OWNERSHIP; DEFINITIONS

1.1 Lot Ownership. These Bylaws are applicable to certain lots in Amity Meadows, a platted subdivision in Yamhill County, Oregon, which have been subjected to the Declaration of Covenants, Conditions and Restrictions of Amity Meadows (the "Declaration"). Said lots may be collectively referred to in these Bylaws as the "Property" and the lots individually or collectively as a "Lot" or the "Lots."

1.2 Bylaws Applicability. The provisions of these Bylaws are applicable to the Property, the Amity Meadows Homeowners Association, and the entire management structure thereof.

1.3 Personal Application. All present or future Owners, tenants, occupants, future tenants or their employees, or any other person that might occupy any portion of the Property in any manner, are subject to the provisions set forth in these Bylaws. The acquisition, occupancy or rental of any of the Lots or the mere act of occupancy of any said Lots will constitute acceptance and ratification of these Bylaws and agreement to comply with all the provisions hereof.

1.4 Definitions. The terms herein shall have the same meaning as set forth in Article 1 of the Declaration.

ARTICLE 2

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

2.1 Membership in the Association. Upon recordation of a conveyance or contract to convey a Lot the grantee or purchaser named in such conveyance or contract shall automatically be a Member of the Amity Meadows Homeowners Association (the "Association"), shall be deemed to have consented to becoming a Member, and shall remain a Member of the Association until such time as such person's ownership ceases for any reason. For all purposes of the Declaration and the administration of the Property, Lot ownership shall be determined from the records maintained by the Association. Each Owner shall file with the Association a copy of the deed to or land sale contract for his Lot after it is recorded in order to
establish the Association’s records. A purchaser under a land sale contract entitled to immediate possession of the Lot shall be deemed the Owner thereof, unless otherwise provided in such contract. Notwithstanding the foregoing, the Declarant shall be the Owner of all previously unsold Lots, although no deed or land sale contract, with respect to such Lots, has been filed with the Association.

2.2 Voting Rights. The Association shall have two (2) classes of voting Members:

2.2.1 Class A. Class A Members shall be all Owners of Lots other than the Declarant, and each Class A Member shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote.

2.2.2 Class B. The Class B Member shall be the Declarant, its successors and assigns. The Class B Member shall have three (3) votes for each Lot owned. Provided, however, that all Class B Memberships shall cease upon the earlier of a date five (5) years from the recording of the Declaration or the voluntary conveyance by the Declarant of 18 Lots ("Termination Date"). The Declarant is reserving the option to terminate the Class B ownership earlier upon written notice to the Association. Thereafter, each Owner (including, without limitation, the Declarant) shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote except that if the Declarant owns Lot 24, it shall be entitled to the greater or one vote or one vote for each dwelling unit on Lot 24.

When more than one (1) person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but in no event will fractional voting be allowed. Fractionalized or split votes shall be disregarded, except for purposes of determining a quorum. The total number of votes as of the Termination Date and thereafter shall be equal to the total number of Lots annexed to the Property and subjected to these Bylaws as of the Termination Date.

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

2.4 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Owners holding forty percent (40%) or more of the outstanding votes in the Association, as defined in Section 2.2 of this Article, shall constitute a quorum.

2.5 Voting and Proxies. Votes may be cast in person, by written ballot, or by proxy. Proxies must be filed with the Secretary before or during the appointed meeting. A proxy shall expire one (1) year after the date it was signed unless a shorter period is specified in the proxy. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. A meeting of the Association may be by written ballot, as the Directors may elect, rather than at a formal gathering. Ballots for such meeting must be properly executed and returned in sufficient quantity to constitute a quorum and to pass the proposal specifically propounded on the ballot and must comply with the applicable provisions of the Oregon Non-Profit Corporation statutes, ORS Chapter 65. Unless withdrawn, a proxy given to
another person to vote at a specific meeting shall also be valid at an adjourned meeting called under the provisions of Section 3.7.

2.6 Authority to Vote. All Owners shall be entitled to vote, including those who have leased their premises to a third party. An Owner’s right to vote may not be revoked.

2.7 Fiduciaries and Joint Owners. An executor, administrator, guardian or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any Lot owned or held by 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 Lot in such capacity. Whenever any Lot is owned by two or more persons jointly according to the records of the Association, the vote of such Lot may be exercised by any one of the Owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the Owners, the vote of such Lot shall be disregarded for all purposes, except for purposes of determining whether a quorum is present.

ARTICLE 3

ADMINISTRATION

3.1 Association Responsibilities. The Owners will constitute the Members of the Association. Except as otherwise provided in the Declaration or these Bylaws, decisions and resolutions of the Association shall require approval by a majority of the Owners present at any legal meeting. A legal meeting is one duly called pursuant to these Bylaws where a quorum is present in person or by proxy at a formal gathering, or if a vote is taken by written ballots, when ballots are returned representing more than seventy percent (70%) of the vote, unless a larger vote is required to approve a ballot item in which case the quorum requirements shall be the number of votes required to approve the proposal.

3.2 Place of Meetings. Formal meetings of the Association shall be held at suitable places convenient to the Owners as may be designated by the Board of Directors. The Board of Directors shall determine any vote taken by written ballot within forty-eight (48) hours of the ballot return deadline. Each Owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned, within fifteen (15) days after the ballot return deadline. Before the ballots are counted, if it is determined that returned ballots will not constitute a quorum, the Board of Directors may extend the ballot return deadline for one or more periods by written notice to all Owners for not more than a total of sixty (60) days.

3.3 Turnover Meeting. The Declarant shall call a meeting for the purpose of turning over administrative control of the Association from the Declarant to the Members within ninety (90) days of the earlier of:
3.3.1 Sale of All Lots. The date that all Lots have been conveyed to persons other than the Declarant.

3.3.2 Optional Turnover. At such earlier time as Declarant elects in writing to terminate Class B Membership; or

3.3.3 Five Years. Five (5) years after the Declaration is recorded.

The Declarant shall give notice of the meeting to each Owner as provided in these Bylaws. If the Declarant does not call the meeting required under this section, any Owner may do so. At the Turnover Meeting the Declarant shall relinquish control of the administration of the Association and the Owners shall assume such control and the Owners shall elect a Board of Directors in accordance with the provisions of Article 4 of these Bylaws. Additionally, the Declarant shall deliver to the Association all business and financial records, together with all Association bank account, funds and other assets.

3.4 Annual Meetings. The first annual meeting of the Association shall be held in the calendar year following the calendar year in which the Turnover Meeting is held and shall be set by action of the Board of Directors. The date for this meeting, at the discretion of the Board of Directors, may be changed from time to time, but must be held annually under the Rules and Regulations as set out in the Bylaws. At such meetings, new Members of the Board of Directors shall be elected by the Owners in accordance with the requirements of Section 4.7 of these Bylaws to replace those Directors whose terms have expired. The Owners may also transact such other business of the Association as may properly come before them.

3.5 Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by fifty percent (50%) or more of the Owners having been presented to the Secretary. All meetings called because of petition of Owners shall be held at a formal gathering and not by ballot, and shall be held within sixty (60) days after receipt of the petition. 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 Owners of the Lots or as otherwise set out in these Bylaws.

3.6 Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual, special or meeting by ballot, stating the purpose thereof and the time and place where it is to be held, to each Owner of record at least seven (7) but not more than fifty (50) days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. The mailing shall be to the Owner's address last given the Secretary in writing by the Owner or his vendee. If Lot ownership is split or the Lot has been sold on a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If no address has been given the Secretary in writing, then mailing to the mailing address for the Lot shall be sufficient. The mailing of a notice in the manner provided in this Section shall be considered notice served.
3.7 **Adjourned Meetings.** If any gathering of Owners is not a legal meeting because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more then ten (10) days from the time the original meeting was called. The adjournment provisions of this Section do not apply to meetings by ballot.

3.8. **Order of Business.** The order of business at all meetings shall be as follows:

Roll call.
Proof of Notice of meeting or waiver of notice.
Reading of minutes of the preceding meeting.
Reports of officers.
Reports of committees.
Election of inspectors of election.
Election of Directors.
Unfinished business.
New business.
Adjournment.

**ARTICLE 4**

**BOARD OF DIRECTORS**

4.1 **Number and Qualification.** A Board of Directors composed of no less than three (3) and no more than twenty-four (24) Directors shall govern the affairs of the Association. Each of the Directors must be an Owner or the Co-Owner of a Lot. An officer or employee of a corporation, or the trustee of a trust, or personal representative of an estate, or an employee of the trust or estate may serve on the Board of Directors, if the corporation, trust or estate owns a Lot.

4.2 **Powers and Duties; Standards of Conduct.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. It may do all such acts and things that are not reserved by Oregon law or by these Bylaws to be done by the Owners.

A Director must discharge his duties in good faith; with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director reasonably believes to be in the best interests of the Association.

Directors shall prepare for and regularly attend meetings, ask questions when a problem exists, use informed judgment and common sense, and give their undivided loyalty to the Association.

Unless a Director has knowledge that makes such reliance unwarranted, a Director may rely on information, opinions, reports or statements, if prepared or presented by (a) an officer or employee whom the Director reasonably believes is reliable and competent in the matter(s) presented; (b) lawyers, accountants or other persons as to matters the Director reasonably believes are within the person’s professional or expert competence; or (c) a committee of the Board of which the Director is not a member, as to matters within its jurisdiction, if the Director
reasonably believes the committee merits confidence. (However, the creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a Director with this standard of conduct.)

Directors shall not engage in or benefit from a business opportunity that is available to and suitable for the Association, unless the Association decides not to engage in the business opportunity and conflict of interest procedures are followed.

A conflict of interest transaction is a transaction with the Corporation in which a Director of the Association has either a direct interest (such as a financial interest) or an indirect interest. A Director has an indirect interest if either (1) another entity in which the Director has a material interest or in which the Director is a general partner is a party to the transaction, or (2) another entity of which the Director is a director, officer or trustee is a party to the transaction and the transaction is or should be considered by the Board of the Association. A transaction in which a Director has a conflict of interest may be approved by the if the material facts of the transaction and the Director’s interest are disclosed in advance or known to the Board or the Owners at the time of the meeting at which a decision on the matter is made and the transaction is in the best interest of the Association. The transaction must be approved by a majority vote of the Directors or the Owners who have no direct or indirect interest in the transaction, even if approving majority is less than a quorum. The Director who has a conflict should disclose the conflict, and abstain from participating in the discussion and vote. However, the presence of, or a vote cast by, a Director with a conflict of interest does not affect the validity of the vote. The Board of Directors may adopt additional conflict of interest policies not inconsistent with these Bylaws.

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

4.3.1 **Upkeep of Community Maintained Property.** Care and upkeep of the Community Maintained Property as required by the Oregon Division of State Lands, and or its successors, or any other governing agency.

4.3.2 **Reserves.** Establishment and maintenance of such replacement reserve accounts that the Board deems prudent for replacement of the Community Maintained Property. The Board of Directors may determine that it is more appropriate to specifically assess when replacements are needed, rather than fund a reserve account.

4.3.3 **Assessment Collection; Maintaining A Current Mailing Address.** Designation and collection of monthly assessments from the Owners, in accordance with these Bylaws and the Declaration. Maintaining a current mailing address for the Association.

4.3.4 **Budget/Voucher System.** Establishment of a budget and payment of all common expenses of the Association and institution and maintenance of a voucher system for such payment, which shall require a sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of Association funds.
4.3.5 **Insurance.** Obtaining and maintaining insurance policies and payment of premiums therefor out of the common expense funds as more specifically provided in Article 8 of these Bylaws. Reviewing the insurance coverage at least annually.

4.3.6 **Personnel.** Designation and dismissal of the personnel and/or contractors necessary for the maintenance and operation of the Property.

4.3.7 **Financial Statements and Income Tax Returns.** Causing the preparation and distribution of annual financial statements of the Association to each of the Owners. Filing necessary income tax returns for the Association.

4.3.8 **Rules.** Adoption and amendment of administrative Rules and Regulations governing the details of operation and the administration of the Association. Provided, however, any such Rules and Regulations shall always be subject to rescission or amendment by the Association upon majority vote of Owners present at any properly called meeting.

4.3.9 **Copies of Documents.** Maintaining copies suitable for duplication of the following: Declaration, Bylaws, Rules and Regulations and any amendments thereto, the most recent annual financial statement and the current operating budget of the Association.

4.3.10 **ALRC.** The Directors, in addition to any Members who volunteer to serve, shall constitute the ALRC.

4.4 **Limited Authority.** The Board of Directors shall be prohibited from taking any of the following actions, except with the vote or written assent of a majority of the voting power of the Owners other than the Declarant:

4.4.1 **Third Party Contracts.** Entering into a contract with a third party wherein the third person will furnish goods or services for the Community Maintained Property or the Association for a term longer than one year with the following exceptions:

   (a) Management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration.

   (b) A contract with a public utility company in Yamhill County or a service contract if the rates charged for the materials or services are regulated by the Oregon Public Utilities Commission provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

   (c) Prepaid casualty and/or liability insurance policies of not to exceed three years duration provided that the policy permits short rate cancellation by the insured.

4.4.2 **Capital Expenditures.** Incurring aggregate expenditures for capital improvements to the Community Maintained Property of any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.
4.4.3 Compensating Board Members. Paying compensation to Members of the Board of Directors of the Association for services performed in the conduct of the Association's business provided, however, that the Board of Directors may cause a Member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

4.5 Management Agent. The Board of Directors may employ a management agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4.3 of these Bylaws.

4.6 Interim Board and Officers. The Declarant hereby reserves administrative control of the Association until the Turnover Meeting. The Declarant, in its sole discretion, shall have the right to appoint and remove Members of an Interim Board of Directors and interim officers. Additionally, at the Turnover Meeting at least one (1) Director shall be elected by Owners other than the Declarant, even if the Declarant otherwise has voting power to elect all three (3) Directors.

4.7 Election and Term of Office. At the Turnover Meeting of the Association, the term of office of one (1) Director shall be fixed for two (2) years. The term of office of two (2) Directors shall be fixed at one (1) year. Should more Directors be added, the same sequential election terms shall apply as nearly as is practicable. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting. At the Turnover Meeting, upon agreement by vote of the Owners, the Board of Directors may be elected by a single ballot with each Owner permitted to vote for three (3) nominees. In such event, the nominee receiving the highest number of votes shall be the two (2) year Director and the two (2) nominees receiving the next highest number of votes shall be the one (1) year Directors. The Association may increase or decrease the number of Directors and length of terms for which each is elected upon amendment of this Section 4.7.

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

4.9 Removal of Directors. At any legal annual or special meeting, other than a meeting by ballot, any one or more of the Directors may be removed with or without cause, by a majority vote of the total voting power of the Owners and a successor may be then and there elected to fill the vacancy thus created. Provided however, the notice of meeting shall specifically indicate that the removal of one or more named Directors is an agenda item for such meeting. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. Any Director or Directors who fail(s) to attend three (3) successive meetings of the Board of Directors which have been properly called, or who has failed to attend more than one third (1/3) of the Board of Directors meetings during a twelve (12)
month period which have been properly called, may be removed by a majority of the remaining Directors.

4.10 **Organizational Meeting.** The first meeting of a newly elected Board of Directors 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.

4.11 **Regular Meetings.** The Board of Directors shall by resolution fix a time and place for regular meetings to be held without notice other than the resolution. Section 4.16 sets forth the requirements for notice of regular meetings to Owners.

4.12 **Special and Emergency Meetings.** Special meetings of the Board of Directors are all meetings of the Board of Directors other than regular meetings. Special meetings include emergency meetings. Not all special meetings are emergency meetings, but all emergency meetings are special meetings. Special meetings of the Board of Directors may be called by the President or Secretary or on the written request of at least two (2) Directors. Special meetings of the Board of Directors may be called on three (3) days' notice to each Director, given personally or by mail, telephone, telegraph, fax, or email which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. The Board of Directors may hold emergency meetings without notice if the reason for the emergency is stated in the minutes of the meeting. Section 4.16 sets forth the requirements for notice of special and emergency meetings to Owners.

4.13 **Waiver of Notice to Directors.** Before, at or after any meeting of the Board of Directors, 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 Directors shall be required and any business may be transacted at such meeting.

4.14 **Board of Directors' Quorum and Manner of Acting; Presumption of Assent.** At all meetings of the Board of Directors, a majority of the existing 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 of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business, which might have been transacted at the meeting as originally called, may be transacted without further notice. A Director is considered present regardless of whether the Director votes or abstains from voting.

A Director who is present at a meeting of the Board of Directors shall be deemed to have assented to the action taken at the meeting unless (a) the Director's dissent or abstention from the action is entered in the minutes of the meeting, (b) the director delivers a written notice of dissent or abstention to the action to the presiding officer of the meeting before any adjournment or to the Corporation immediately after the adjournment of the meeting or (c) the Director objects at the beginning of the meeting or promptly upon the Director's arrival to the hold of the meeting or transaction business at the meeting and does not vote for or assent to any action taken at the
meeting. The right to dissent or abstain is not available to a Director who voted in favor of the action.

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

4.16 Notice to Association Members of Board of Directors Meetings. For other than emergency meetings, notice of Board of Directors' special meetings shall be mailed to each Owner at least seven (7) days before the meeting by first class mail, email, facsimile transmission, or hand delivery to each Lot Owner's address. The Board of Directors shall give Owners notice of regular meetings at the annual meeting, any special meeting of the Owners, or at the beginning of the year by first class mail or other reasonable means setting out the time and place of the regular meetings. For any changed time or place, the notice requirements for Special Meetings shall apply.

4.17 Telephonic Meetings. In the event of an emergency, the Board of Directors may hold telephone meetings. Such telephonic meetings shall 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. No notice to either Directors or Association Members shall be required for a telephonic meeting of the Board of Directors to be held for any emergency action. Provided, however, no such telephonic meeting shall occur unless all of the Board of Directors participate in the same.

4.18 Compensation of Directors; Loans Prohibited. No Director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by vote of the Owners. The Association shall not make a loan to or guarantee an obligation of, or for the benefit of, any Director.

ARTICLE 5
OFFICERS

5.1 Designation. The principal officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be Directors and elected by the Directors. The Directors may appoint an assistant treasurer and an assistant secretary, and any such other officers as in their judgment may be necessary.

PAGE 10. BYLAWS
5.2 **Election of Officers.** The officers of the Association may be elected by the Board of Directors at the organizational meeting of each new Board or any Board meeting thereafter, and shall hold office at the pleasure of the Board.

5.3 **Removal of Officers.** Upon an affirmative vote of a majority of the Members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular or special meeting of the Board of Directors.

5.4 **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 of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5.5 **Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident of the office of Secretary.

5.6 **Treasurer.** The Treasurer shall have responsibility for Association funds and securities not otherwise held by the managing agent, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He 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 of Directors.

5.7 **Directors as Officers.** Any Director may be an officer of the Association.

**ARTICLE 6**

**OBLIGATIONS OF THE OWNERS**

6.1 **Assessments.** All Owners are obligated to pay assessments imposed by the Association to meet all the Association's general common expenses as more particularly set forth in the Declaration. Assessments shall be payable on a periodic basis, not more frequently than monthly, as determined by the Board of Directors. In its discretion, the Declarant and, after turnover, the Board of Directors may, but shall not be required to, impose interest or a service charge for installment payments or allow a discount for payment of the annual assessment or any installment in advance. If additional Lots become subject to these CC&R’s during a fiscal year, the common expenses for that fiscal year shall be reallocated and reapportioned according to a formula that (1) will cause each such additional Lots to bear the equal share thereof in proportion, however, to the number of days during such fiscal year such additional Lot was
subject to these CC&R’s and (2) will relieve all other Lots of the burden of such common expenses in equal amounts.

6.2 **Investment of Reserve Account Funds.** All reserve accounts, if any, shall be kept in an account with a safe and responsible depositary, shall be accounted for separately and, if invested, the obligation or security shall be fully guaranteed as to principal by the United States of America or one of its agencies. Assessments paid into the reserve accounts are the property of the Association and are not refundable to sellers of Lots. Provided, however, nothing herein shall prevent sellers of Lots from treating their outstanding allocable share of reserve accounts as a separate or reimbursable item in a sales agreement. No Owner shall have any individual rights in any of these reserves, although it is understood that the value of their respective Lots may increase in proportion to each Lot’s right to receive repair, maintenance and replacement there from.

6.3 **Initial Assessment.** The Declarant shall determine the initial annual assessment to Owners other than the Declarant. The assessment shall thereafter be subject to review by the Board of Directors. The assessment shall be payable from the date the Declaration is recorded for all Lots conveyed by the Declarant to a third party. The assessment shall commence in respect to each Lot on the first day of the next calendar quarter.

6.4 **Income Tax Returns; Determination of Fiscal Year.** The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors. The Board of Directors, in its sole discretion, shall determine the manner in which all necessary income tax returns are filed and of selecting any and all persons to prepare such tax returns.

6.5 **Default.** Failure by an Owner to pay any assessment of the Association shall be a default by such Owner of his obligations pursuant to these Bylaws and the Declaration. The Association shall be entitled to the remedies set forth in the Declaration.

6.6 **Maintenance and Repair.**

6.6.1 **Lots.** Except as otherwise specifically provided in the Declaration and Bylaws, every Owner must perform promptly all maintenance and repair work to his Lot and the exterior of the improvements thereon and keep the same in good repair and sanitary and neat condition.

6.6.2 **Community Maintained Property.** An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any Community Maintained Property and/or facility damaged through his fault, not otherwise covered by insurance policies carried by the Association for the Owner’s and Association’s benefit.

6.6.3 **Bio-swale and Drainage Ditches.** The Associations and Owners shall keep and maintain the bio-swale and drainage ditches shown on the plat of the Amity Meadows Subdivision in workable conditions so that they will perform the purpose for which they are designed and built. The bio-swale and drainage ditches shall not be used as a place to discard yard debris and other items.
6.7 **Right of Entry: Easements for Maintenance.**

6.7.1 **Emergencies.** In case of an emergency originating in or threatening his Lot, an Owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association, whether the Owner is present at the time or not.

6.7.2 **Maintenance Easements.** An easement is reserved to the Association in and through any Lot providing access at reasonable times and with reasonable notice for purposes of maintenance, repair and replacement of the Community Maintained Property. If, in the process of such repair and maintenance by the Association, it is necessary to alter or damage any Lot, such alterations or damages will be permitted without compensation, provided the Lot is promptly restored to substantially its prior condition by the Association.

**ARTICLE 7**

**USE AND OCCUPANCY RESTRICTIONS; RULES OF CONDUCT**

In addition to the restrictions and rules of conduct set forth in the Declaration, the following shall apply:

7.1 **Use of the Community Maintained Property.** No Owner shall place or cause to be placed on any portion of the Community Maintained Property any trash, structure, equipment, improvement, furniture, package or object of any kind. Such areas shall be used for no purpose other than stormwater collection, detention, and dispersal. The Association Members will use the "Commonly/Community Maintained Property" only for those uses approved by the Oregon Division of State Lands, and or its successors, or any other governing agency.

7.2 **Appearance of Homes/Lots.** Owners shall keep their Lots and the improvements thereon in good repair, clean and with painted, stained or other finished exteriors compatible with the architectural standard of the Declaration and Rules and Regulations.

7.3 **Nuisances.** Nuisances will not be allowed upon the Property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents. Residents shall exercise extreme care about creating disturbances, making noises or using musical instruments radios, televisions and amplifiers that may disturb other residents. All parts of the Property will be kept in a clean and sanitary conditions, and no rubbish, refuse or garbage allowed to accumulate, nor any fire hazard allowed to exist. All such garbage and trash shall be placed inside disposal containers. No Owner will permit any use of his Lot that will increase the cost of insurance.

7.4 **Improper, Offensive or Unlawful Use.** No improper, offensive or unlawful use will be made of the Property or any part of it, all-valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction will be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the Property will
be carried out and paid for in the same manner as the responsibility for the maintenance and repair of the Property concerned.

7.5 Additional Rules. The Rules and Regulations concerning other use of the Property may be made and amended from time to time by the Board of Directors. Copies of such Rules and Regulations will be furnished to all Owners and Occupants of the Property upon request.

ARTICLE 8

INSURANCE

8.1 General. The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in the amounts hereinafter provided, and including insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other planned communities similar in construction, design and which insurance shall be governed by the provisions in this numbered section.

8.2 Types of Insurance Policies. For the benefit of the Association and the Owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, a policy or policies insuring the Association, its Board of Directors, the Owners individually, and the manager against any liability to the public or the Owners and their invitees or tenants, incident to the ownership, supervision, control or use of the Property. Limits of liability under such insurance shall be not less than one million dollars ($1,000,000) per occurrence for bodily injuries and property damage liability. Such limit and coverage shall be reviewed at least annually by the Board of Directors, which may increase the limit of and/or coverage, in its discretion. Said policy or policies shall be issued on a commercial General Liability form and shall provide cross liability endorsements wherein the rights of the named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured.

8.3 Fidelity Bond. For the benefit of the Association and Owners, the Board of Directors may obtain, and if obtained, pay for it out of the common expenses of the Association, a fidelity bond naming such persons as may be designated by the Board of Directors as principals and the Association and the Owners as obligees, for the amount determined by the Board of Directors. Provided, however, the Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds obtain adequate fidelity bonds. The Association shall pay the premiums on such bonds.

8.4 Insurance Companies Authorized. All policies shall be written by a company licensed to do business in Oregon and holding a "Commissioner's rating" of "A+" and a size rating of "AAA," or better, by Best's Insurance Reports, or as may be otherwise acceptable to all mortgagees and Directors.
8.5 **Provisions in Insurance Policies.** The Board of Directors shall make every effort to secure insurance policies that will provide for the following:

8.5.1 **Waiver of Subrogation.** A waiver of subrogation by the insurer as to any claims against the Board of Directors, the manager, the Owners and their respective servants, agents and guests.

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

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

8.5.4 **No Other Insurance Clauses.** A provision that any "no other insurance" clause in the master policy exclude individual Owners' policies and not otherwise prevent such individual policies from providing coverage for damage to Homes/Lots or Community Maintained Property.

8.6 **Home/Lot Insurance.** The Association shall have no responsibility to procure or assist in procuring property loss insurance or liability insurance except as stated in this Article. Home/Lot Owners should procure their own insurance for their protection.

8.7 **Review of Insurance Policies.** At least annually, the Board of Directors shall review all insurance carried by the Association, which review shall include a consultation with a representative of the insurance carrier writing the master policy.

**ARTICLE 9**

**AMENDMENT**

Except as otherwise provided in this Article, and the restrictions set forth elsewhere herein, these Bylaws may be amended at any time by an instrument approved by at least a majority of the total votes of each class of Members that are eligible to vote. Any amendment must be executed, recorded and certified as provided by law. No amendment of the Bylaws may amend the Declaration or the Articles without compliance with the provisions of such documents and the Oregon Non-Profit Corporation Act. The Declarant or its successor or assignee must give prior, written consent to any amendment affecting or deleting any right of the Declarant or its successor or assignee.
ARTICLE 10

RECORDS AND AUDITS

10.1 General Records. The Board of Directors and the managing agent or manager, if any, shall preserve and maintain minutes of the meetings of the Association, the Board and any committees. The Board of Directors shall maintain a list of Owners entitled to vote at meetings of the Association. The minutes of the Association, the Board and committees, and the Association's financial records shall be reasonably available for review and copying by the Owners. The Association for providing copies may impose a reasonable charge.

10.2 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Lot. Such account shall designate the name and address of the Owner or Owners, the amount of each assessment against the Owners, the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

10.3 Payment of Vouchers. The Treasurer shall pay all vouchers up to $100 signed by the President. Any voucher in excess of $100 and any withdrawal from reserve accounts shall require the signature of the President and one other Board Member.

ARTICLE 11

COMPLIANCE WITH THE PLANNED COMMUNITY ACT

These Bylaws are intended to comply with the provisions of the Oregon Planned Community Act (OPCA). In the case any Bylaw and OPCA provision conflict, the OPCA shall apply. In the case any Declaration and OPCA provision conflict, the OPCA shall apply.

The Board shall review the provisions of the OPCA no less often than the beginning of every even-numbered year to determine if the OPCA is inconsistent with the Bylaws or Declaration. If there is a conflict, the Board shall set a date for a special meeting of Members as soon as practical for the purpose of considering amendments to the Bylaws and/or Declaration.

In case of any conflict between the provisions hereof and the Articles or the Declaration, the provisions in the Articles and/or Declaration shall apply. The Declaration shall be paramount to any contrary provisions in the Articles.

ARTICLE 12

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify any Director or Officer 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 or Officer of the Association, against expenses
(including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he 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 of 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 reimbursement of such payment from such person, should it be proven at a later time that such 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 or Officer shall have a right of contribution over and against all other Directors, Officers, and Members of the Association who participated with or benefited from the acts which created said liability.

ARTICLE 13

ASSESSMENT COLLECTION COSTS; SUITS AND ACTIONS

Owners shall be obliged to pay reasonable fees and costs including, but not limited to, attorney's fees incurred in connection with efforts to collect delinquent any unpaid assessments whether or not suit or action is filed. In addition to the assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines and interest imposed by the Board of Directors. In the event suit or action is commenced by the Association for the collection of any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the Declaration, the Articles or Bylaws, the Owner or Owners, jointly and severally, will, in addition to all other obligations, pay the costs of such suit or action, including reasonable attorneys' fees to be fixed by the trial court and, in the event of an appeal, the cost of the appeal, together with reasonable attorneys' fees in the appellate court to be fixed by such court.

ARTICLE 14

MISCELLANEOUS

14.1 Notices. All notices to the Association or to the Board of Directors shall be sent to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. All notices to any Owner shall be sent to such address as may have been designated by him from time to time, in writing, to the Board of Directors, or if no address has been designated, then to the mailing address for the Owner's Lot.
14.2 **Waiver.** No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

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

**ARTICLE 15**

**ADOPTION**

It is hereby certified that these Bylaws have been adopted by Housing for People, Inc., Declarant of Amity Meadows, and will be recorded in the Deed Records of Yamhill County.

DATED this 20th day of November, 2003.

YAMHILL COMMUNITY DEVELOPMENT CORPORATION

By: [Signature]

Its: [Signature]

STATE OF OREGON

) ss.

County of Yamhill

Personally appeared M Teresa Smith, who, on the 20 day of November, 2003, being duly sworn, did say that he/she is the President of Yamhill Community Development Corporation, an Oregon nonprofit corporation, and that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors; and they acknowledged said instrument to be its voluntary act and deed.

[Signature]

NOTARY PUBLIC FOR OREGON

PAGE 18. BYLAWS
Located in the SW 1/4 Section 20, T. 5 S., R. 4 W., WM.,
John Watt Donation Land Claim #73
City of Amity, Yamhill County, Oregon
Date: October 25, 2003

Sheet Index
Sheet 1 - Easement notes, descriptions and
dimensions of easements.
Sheet 2 - Boundary Section, Lot Dimensions,
Legend
Sheet 3 - Narrative, Approvals, Surveyor's
Certificate, Acknowledgment, Curve Table

Easement Note
1) There is a 20' wide access easement on Lots 22 & 23 to benefit
Lot 24. This easement is for public access from Trade Street to Lot 24 is approved by O.S. O.T.
2) There is an existing 60' wide access easement described in deed
recorded in Volume 80 Page 825, the west one of which begins at a point that is 200' north of the
northeast corner of Parcel 1 of Plat 92-351 and runs south to the south line of Rosedell
Street.
3) Storm drain easements shown herein are to the benefit of the City of Amity unless otherwise noted.
4) Public utilities easements are to the benefit of the Public.
5) 15' wide private storm drain easement on Lots 21, 22, 23 & 24. It is also a 15' wide private
water line and sanitary sewer line on Lot 22 and the south 34.73' of Lot 22 for the benefit of Lot 24.

Initial Point

Rosedell Avenue

This is an exact copy of the original plat of
AMITY MEADOWS
By: Matt Dunczek & Assoc.
170 Riverside Drive
McMinville, Oregon 97128
Phone: 503-472-3774
Fax: 503-472-8587
Email: dunczek@msn.com

Sheet 1 of 3
**Narrative**

The purpose of this survey is to subdivide that tract of land described in deed from JAMES C. MURPHY to YAMHILL COMMUNITY DEVELOPMENT CORPORATION and recorded in Instrument No. 2002119347, Yamhill County Book Records, into lots and easements as shown. This legal description of instrument No. 2002119347 is withdrawn from dimensions of CS-11290 and completely ignores the dimensions and calls to the adjoining properties. In those cases where a deed overlap could be created, I have held the calls of the previous deeds (Film Volume 86 Page 590) in those cases.

The north line of Lots 20, 21 & 24 is held as monumetned by CSP-12296. The north line of Lots 15-20 is held as monumentsed in CSP-3523 and held in CSP-3666, PI 03-02 & PI 03-22. The east line is the west line of LORENZEN (Volume 34 Page 923) and is held as monumetned in CSP-3525. The south line of Lot 12 is the north line of BRYAN (Film Volume 77 Page 162) and is held as monumetned in CSP-3525. The east line of lots 1 & 11 is the west line of BRYAN (Film Volume 77 Page 162) and is held as monumetned in CSP-3525. The south line of Lot 14 is the north margin of Suther Black Avenue and is held as monumetned in CSP-3525 and CSP-3666. The west line of BRYAN (Film Volume 77 Page 162) is held as monumetned in CSP-3525 and CSP-3666 and also the east line of PI 92-50. The south line of Lot 21 is held as monumetned in CSP-3525. The west line of Lot 22 is held as monumetned in CSP-3525 and CSP-3666.

**DECLARATION**

**STATE OF OREGON**

**COUNTY OF Yamhill**

\[Signature\]

Notary

On this day the 10th day of May, 2003, for the purposes described in the above Deed Description, who being duly sworn, do say that he is the identical person named in the foregoing instrument and that he executed said instrument freely and voluntarily.

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**Yamhill County Approvals**

**Teresa Smith, Recording Officer**

**Yamhill County Tax Assessor**

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**Curve Table**

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**Notes**

There are no water rights appurtenant to the land described in the Surveyor's Certificate.

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**AMITY MEADOWS**

Located in the SW 1/4 Section 20, T. 5 S., R. 4 W., WM.

John Watt Donation Land Claim #73

City of Amity, Yamhill County, Oregon

Date: October 25, 2003

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**SURVEYOR'S CERTIFICATE**

I, Matt Dunkelb, do hereby certify that I have correctly surveyed and marked with proper monuments the land herein shown AMITY MEADOWS, the boundary of which is described as follows:

Beginning on the north margin of Rosedale Avenue on the southeast corner of said tract of land described in deed from LORRENZEN and CHISTENSEN and FAY N. CHRISTENSEN to ANTONIO MEDERII and MARTHA MEDERII and recorded in Film Volume 77 Page 162, Yamhill County Record; thence North 009°05'00" East 650.13 feet along the southeast corner of said parcel 1 to an iron rod; thence North 009°05'00" East 123.43 feet along said parcels east margin of Street; thence North 009°05'00" East 123.43 feet along said parcel 1 to an iron rod; thence North 009°05'00" East 64.44 feet along said west margin of tract of land described in deed from LORRENZEN and CHISTENSEN and FAY N. CHISTENSEN to KENNETH H. BRYAN and recorded in Film Volume 77 Page 162, thence North 009°05'00" West 79.90 feet to the northwest corner of said tract at a bearing of North 009°05'00" West 170.01 feet to the southwest corner of said tract at the north margin of Rosedale Avenue; thence West 364.38 feet along said north margin of Rosedale Avenue.

Sheets 3 of 3 4556