DECLARATION OF COVENANTS AND RESTRICTIONS
FOR CARLSON'S ADDITION

A Residential Community with Common Facilities

THIS DECLARATION, made this 25th day of May, 1985
by BARRY HOUSE and ROBERTA HOUSE and MARILYN DELL (the developer)

WITNESSETH:

WHEREAS, Barry House, Roberta House, and Marilyn Dell, owners of the real property described in this declaration and desire to create thereon a residential community with common facilities for the benefit of this community. This community shall be referred to as the "Tanglewood", which at the time of adoption of these Covenants and Restrictions consists of Carlson's Addition to the City of McMinnville as more particularly described in Exhibit A.

WHEREAS, the developer has deemed it desirable for the preservation of the values and amenities in this community to create an agency to which is assigned the powers of maintaining, administering, and enforcing the covenants and restrictions and collecting and disbursing any assessments and charges created. This agency shall be referred to as "Tanglewood Homeowners Association".

ARTICLE I

DEFINITIONS: The following words, when used in this declaration, shall have the following meanings:

Section 1. "Association" shall mean the Tanglewood Homeowners' Association, a non-profit corporation organized and existing under the laws of the State of Oregon.

Section 2. "Association of Members" shall mean all the owners and other persons entitled to vote, acting as a group, in accordance with the declaration and bylaws.

Section 3. "Building" shall mean any structure now existing or later to be built on the property.

Section 4. "Common Expenses" shall mean the expense of administration, maintenance, repair or replacement of the private commons, expenses agreed upon as common by the owners, and expenses declared common by this declaration, or the bylaws of this Association.

Section 5. "Declaration" shall mean this declaration plus amendments and supplements thereto.

Section 6. "Lot" shall mean a parcel of land designated as a lot in the recorded plat, including any buildings thereon.

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Section 2. "Member" shall mean that person or entity having a voting right in the Association pursuant to this declaration and the Articles of Incorporation and Bylaws.

Section 3. "Owner" shall mean the record owner, or contract purchaser, whether one or more persons or entities, of a fee simple title to any lot, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee or holder of a trust deed unless such mortgagee or holder of the trust deed has acquired full title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 4. "Private Commons" shall mean common, common parking areas, streets, sidewalks, structures, personal properties, and any other properties maintained by the Association for the common benefit and enjoyment of all the members of the Association.

Section 5. "Properties" or "Property" shall mean the land, whether leasedhold or in fee simple, all buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, which are under this declaration, Articles of Incorporation, and Bylaws of the Association.

ARTICLE II

PROPERTIES SUBJECT TO THE DECLARATION

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to the declaration is located in Yamhill County, Oregon, and is described in the attached Exhibit A (a part hereof). All of said real property shall be referred to as "existing property".

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity which is an owner shall be a member, and the Developer shall be a member.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A: Class A members shall be all the lot owners. An owner's proportionate share of the revenue and expense associated with the private commons shall be equal to his proportionate voting share in the Association. Each Class A owner shall have one vote per lot owned whether the lot owner is a corporation, an association, a partnership, or a husband and wife. When more than one person holds such interest in any lot, all such persons shall vote as a unit; provided, however, if a voting dispute arises, a multi-person owner shall not be entitled to a vote unless the dispute be resolved as they among themselves decide.
Class B: The Class B member shall be the Developer. Class B member shall be entitled to two votes for each lot owned by the Developer. The Class B membership shall cease and become converted to Class A membership upon the happening of any of the following events: (a) when fifty percent of the lots set forth in this declaration have been sold; or (b) on the 31st day of December 1989. After the happening of these events, whichever occurs earlier, the Class B member shall become a Class A member entitled to one vote for each lot then unsold and in which the Developer holds the interest required for membership under this declaration.

ARTICLE IV

PROPERTY RIGHTS IN PRIVATE COMMONS

Section 1. Member's Easement of Enjoyment. Subject to the provisions of Section 3 of this Article IV, every member shall have a right and easement of enjoyment in the private commons and this easement shall be appurtenant to and shall pass with the title to every lot.

Section 2. Title to Private Commons. The title to the private commons shall be vested in the owners. Each owner in Carlson's Addition to the City of McMinnville, Yamhill County, Oregon, shall have an undivided 1/11th interest per lot owned in the private commons of Carlson's Addition.

Section 3. Extent of Members' Easement. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association, as provided in its Articles of Incorporation and bylaws, to suspend the enjoyment rights of any member for as long as any assessment remains unpaid, and for a period not to exceed thirty days for any infraction of its published rules and regulations; nonpayment or infraction, however, is not grounds for denying a member the right to use the private commons as access to his residence.

(b) The right of the Association or Developer to dedicate or transfer, subject to membership acceptance, all or any part of the private commons to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members; provided, that no such dedication or transfer shall be effective unless an instrument signed by the members entitled to cast two-thirds of the votes of each class of membership has been recorded, agreeing to such dedications or transfer, and unless written notice of the proposed agreement and action is sent to every member at least thirty days in advance of any action taken.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS
Section 1. Creation of the lien and personal obligation of assessment. Developer, for each lot owned by it within the properties, and each owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed or other conveyance, shall covenant and agree to pay to the Association (1) annual assessments or charges (which may be paid on a monthly basis), (2) special assessments for capital improvements, replacements or repairs, such assessments to be established and collected from time to time as provided in Section 10.10 of the Bylaws. The annual and special assessments, together with interest, and costs of collection as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each assessment, together with interest and costs of collection shall also be the personal obligation of the person who is the owner of such property at the time the assessment fell due. Such lien shall be enforceable in a manner consistent with the provisions of Oregon law which govern foreclosures generally. The prevailing party shall be entitled to attorneys fees as provided by Article XI, Section 3.

ARTICLE VI

ARCHITECTURAL COMMITTEE

Section 1. An architectural Committee shall be formed to insure the harmonious development of the properties. Initially, the Developer shall be responsible to appoint members to the Architectural Committee. However, at such time as the Class B membership shall cease, the Homeowners Association shall be responsible to appoint members to this Committee. The Committee shall consist of as many persons, not less than three, as the Developer or the Homeowners Association shall appoint. The Architectural Committee shall be responsible for the following:

Section 2. Lot owners will not construct, alter or maintain any Improvements on the premises until

(a). They have submitted to the Architectural Committee a complete set of plans and specifications satisfactory to the Committee, showing, where appropriate: (1) the dimensions of the improvement; (2) the exterior design, (3) the exterior color scheme, (4) the location of the improvement on the site, (5) the location of driveways, (6) the landscaping arrangement, and (7) the dimension and location of any outbuildings; and

(b). Such plans and specifications have been approved in writing by the Committee. Approval of these plans may be withheld, not only because of their noncompliance with any restrictions or conditions contained herein, but also because of the reasonable dissatisfaction of the Committee with the items in paragraph (a) above which, in the reasonable judgment of the Committee, would make the Improvement inharmonious with the objectives of the Improvements already built in the immediate vicinity of the premises.

(c). If the lot owner shall have submitted to the Committee plans and specifications and the Committee has not approved such plans.
and specifications within forty-five days from the date of submission or notified the lot owner of its objections within such period, then the plans and specifications shall be deemed to have been approved by the Committee. The same shall apply to action on any revised plans and specifications. Upon completion of the improvement and notice to the Committee, the Committee shall have ten days from receipt of such notice to inspect the improvement to determine whether it complies with the plans and specifications approved. Within ten days thereafter, the Committee shall either approve the improvement or notify the lot owner of changes necessary to comply with the plans and specifications. If the Committee does not act within the ten day period, the improvement shall be deemed to be satisfactory to the Committee. All communications to the Committee shall be delivered by hand or mail to the Developer at its office in McNinnville Oregon.

ARTICLE VII
EASEMENTS

Section 1. The Developer reserves for the benefit of the tract those areas designated on the plat as easements and right-of-way for the purpose of construction of utilities, including but not limited to streets, parking bays, sewers, water, power, gas and telephones, for the benefit of all lot owners in said tract.

ARTICLE VIII
BUILDING RESTRICTIONS

Section 1. Square feet to be contained in any house constructed shall have a minimum area of 950 square feet.

Section 2. Set-back requirements. The minimum set-back requirement shall be 6 feet from any structure. However, there shall be a 20' set back on the southern boundary of Lot 8, a 75' set-back on the eastern boundary of Lot 3, a 75' set-back on the western boundary of lot 6, a 10' set-back on the eastern boundary on Lot 7, a 10' set-back on the eastern boundary of Lot 8, and a 15' set-back on the southern boundary of lot 8 and 9. In addition, all garages shall have at least an 18' set-back from the curb to allow for vehicle parking. Set-backs shall further be subject to regulation by the City of McNinnville.

Section 3. Fences. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

Section 4. Landscaping plans and installation must be approved by the Architectural Committee of the Association.
Section 5. Roofs shall be as approved by the Architectural Committee of the Association.

Section 6. Construction time limits. All construction on any lot must be completed and the occupancy permit issued within 365 days from the issuance of a building permit.

Section 7. Exterior colors shall be natural, earth color, or approved by the Architectural Committee of the Association.

Section 8. Detached improvements. Any detached improvement must be approved by the Architectural Committee of the Association.

ARTICLE IX
GENERAL RESTRICTIONS

Section 1. Animals. No domestic animals shall be raised kept, or permitted on the premises other than dogs, cats, birds, and household animals which are not kept, bred or raised for commercial purposes or in unreasonable numbers, and which are reasonably controlled to avoid them being a nuisance to other lot owners.

Section 2. Mobile Homes, Temporary Structures. No mobile home or temporary structure shall be allowed in the development, with the exception of a construction type of mobile home to be used only during the period of construction. Approval shall rest with the Architectural Committee for granting such a permit.

Section 3. Campers, motor homes, boats, or travel trailers. These shall not be permitted to be left on the owner or tenant occupied drive, street side or rear yard for a period exceeding 2 days. They will, however, be allowed for a time to permit cleaning, loading or unloading, not to exceed five days.

Section 4. Trash or refuse. No garbage or trash will be allowed to accumulate on any property in the development. Failure to remove will result in the Association having such removed and presenting the owner or tenant with a charge for removal. If not paid within 30 days, a lien will be recorded against the property involved.

Section 5. Commercial business. No commercial business of any type shall be allowed to be established on or operated from this development.

Section 6. Nonuseable motor vehicles. There shall not be stored, parked or kept upon said lots in open and plain view any motor vehicle which is rusted, wrecked, junked or partially dismantled or inoperable or abandoned condition unless it is completely enclosed within a building.

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Section 2. One family per lot. No more than one family shall be allowed to dwell on a lot. This does not apply to temporary visitors or in-house domestic employees.

Section 8. Division lots or adjustments of lot lines. No lot may be divided or any lot line be moved or otherwise adjusted (except for the granting of private easements or licenses) unless all of the following occur:

A. All applicable laws and regulations are complied with;

B. Written consent is obtained from all owners; and,

C. This declaration and the by-laws are duly amended to correct any potential problem or ambiguity concerning the rights and obligations of the lot owners in question or concerning questions of title to the lots or private common. Such amendments are to be at the expense of the party seeking the change.

ARTICLE X

GENERAL PROVISIONS

Section 1. Duration. The covenants, easements and restrictions contained herein are to run with the land for the benefit of each owner and shall pass with each parcel of the subdivision and shall bind the respective successors in interest of the present owner. These covenants, easements, and restrictions shall remain in full force and effect for a period of thirty years from the date of recording this declaration, at which time they shall terminate unless the majority of the then record owners of the lots contained in the tract elect to retain said covenants, easements and restrictions.

Section 2. Enforcement. The Association, or any Owner, or the owner of any recorded mortgage or recorded trust deed on any part of said property shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, easements, liens, and charges now or hereafter imposed by the provisions of this declaration. Failure by the Association or any owner to enforce any covenant or restriction shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Access of City Police, Fire and Ambulance. All streets located upon the property shall be open for use by the police, fire, and ambulance departments of the City of McMinnville to provide any services required within their assigned responsibilities. The City shall also have full authority to enter upon said streets to enforce all ordinances of the City and traffic laws of the State of Oregon and to issue citations for any violations thereof.

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Section 4. Severability. Invalidation of any of the covenants or restrictions by judgment or court order shall in no wise affect any of the other provisions herein which shall remain in full force and effect.

Section 5. Amendments. The covenants and restrictions of this declaration may be amended by an instrument signed by not less than ninety percent of the lot owners. Any amendment must be properly recorded. Easements herein granted and reserved shall not be amended except by instrument signed and acknowledged by one hundred percent of the owners of said property, including the Developer.

Section 6. Attorney Fees. In case suit or action is instituted to enforce any of the provisions hereof, the losing party agrees to pay such sum as the trial court may adjudge reasonable as attorney's fees to be allowed prevailing party in said suit or action, and if an appeal is taken from any judgment or decree of such trial court, the losing party further promises to pay such sum as the appellate court shall adjudge reasonable as prevailing party's attorney's fees on such appeal.
DATED this 29th day of May, 1983.

Barry House

Roberta House

Marilyn Dell

STATE OF OREGON, County of Yamhill

May 29, 1983

Personally appeared Barry House, Roberta House, and Marilyn Dell and acknowledged the foregoing instrument to be their voluntary and free act.

Nancy Melillo
Notary Public for the
State of Oregon

Commission expires 9/13/96

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EXHIBIT A

Beginning at the initial corner of this subdivision which is a 2-inch by 36-inch galvanized iron pipe set 6 inches below the surface of the ground at a point on the North right-of-way line of Arthur Street at its intersection with the East line of that tract of land conveyed to Carl Carlson by deed recorded in Volume 147, Page 629, deed records for Yamhill County, Oregon, which point bears South 00° 20' 49" West 2227 Feet and West 713.44' from the Southwest corner of the William E. Newby Donation land claim No. 53 in Section 20, Township 4 South, Range 4 West of the Willamette Meridian in Yamhill County, Oregon; thence West along said right-of-way line, 183.76 feet to an iron rod marking an angle point therein; thence South 00° 20' 15.00 feet to an iron rod; thence West 70.09' feet to an iron rod marking the west Southerly Southwest corner of said Carlson Tract; thence North 00° 20' 49" East along the West line of said Carlson Tract, 108.28 feet to an iron rod marking the Southeast corner of that tract of land conveyed to George W. Mine by deed recorded in Volume 75, Page 514, deed records; thence, North 89° 26' 35" West along the South line of said Mine Tract, 323.04 feet to a point in the center of Cosine Creek; thence Northeasterly following the center of said Cosine Creek North 17° 00' 00" East 48.00 feet and North 17° 00' 00" East 60.00 feet and North 12° 25' 35" West 44.40 feet and North 46° 15' 00" East 62.00 feet and North 36° 30' 00" East 62.00 feet and South 68° 30' 00" East 46.00 feet and North 11° 30' 00" East 53.00 feet and North 36° 15' 00" East 103.00 feet and North 62° 40' 00" East 72.00 feet and South 62° 45' 00" East 59.00 feet and South 60° 00' 00" East 65.00 feet and East 80.00 feet and North 63° 25' 26" East 74.40 feet to the Northeast corner of said Carlson Tract; thence South 00° 20' 49" West 419.60 feet to the point of beginning and containing 4.19 acres of land, more or less.
EXHIBIT A (Continued)

BYLAWS OF
TANGLEWOOD HOMEOWNERS' ASSOCIATION

CHAPTER 1
DEFINITIONS

1.05 The following words when used in these Bylaws shall have the following meanings:

1.10 "Association" shall mean the Tanglewood Homeowners' Association, a non-profit corporation organized and existing under the laws of the State of Oregon.

1.15 "Association of Members" shall mean all the owners and other persons entitled to vote, acting as a group, in accordance with the Declaration and Bylaws.

1.20 "Building" shall mean any structure now existing or later to be built on the property.

1.25 "Common Expenses" shall mean the expenses of administration, maintenance, repair or replacement of the private common, expenses agreed upon as common by the owners, and expenses declared common by these Bylaws of this Association and the Declaration of Covenants and Restrictions.

1.30 "Declaration" shall mean the Declaration, including the covenants and restrictions, previously filed in Yamhill County plus amendments and supplements thereto.

1.35 "Lot" shall mean a parcel of land designated as a lot in the recorded plat, including any buildings thereon.

1.40 "Majority of Members" shall mean those persons or entities holding fifty-one percent of the votes in accordance with the percentages and voting rights assigned in the Declaration.

1.45 "Manager" shall mean the manager or Board of Managers or other person or persons in charge of the administration of or managing the Association and the properties.

1.50 "Member" shall mean that person or entity having a voting right in the Association pursuant to the Declaration and the Articles of Incorporation, and these Bylaws.

1.55 "Owner" shall mean the record owner, or contract purchaser, whether one or more persons or entities, of a fee simple title to any lot, but notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee or holder of a trust deed unless such mortgagee or holder of a trust deed has acquired full title pursuant to
foreclosure or any proceeding in lieu of foreclosure.

1.6 "Private Commons" shall mean common, common parking areas, streets, footways, structures, personal properties, and any and all other properties maintained by the Association for the common benefit and enjoyment of all the members of the Association.

1.65 "Properties" or "Property" shall mean the land, whether leasehold or in fee simple, all buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, which are under these Bylaws, the Declaration and Articles of the Associations.

CHAPTER 2

MEMBERSHIP

2.05 The method of selection of members and the rights of members are as set forth in the Declaration, the Articles of Incorporation and these Bylaws.

2.10 The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of, and becomes a lien upon, the property against which such assessments are made as provided in the Declaration to which the properties are subject and recorded and the Articles of Incorporations.

2.15 The membership rights of any person whose interest is in the properties are subject to assessment under the Declaration, Articles of Incorporation and these Bylaws, may be suspended by action of the directors during the period when the assessments remain unpaid; but upon payment of such assessments, his rights and privileges shall be automatically restored.

CHAPTER 3

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

3.05 Each member and guest shall be entitled to the use and enjoyment of the private commons and facilities provided by the Declaration and the Articles of Incorporation and these Bylaws.

3.10 Any member may delegate his rights of enjoyment in the private commons to the members of his family who reside upon the property or to any of his tenants who reside thereon under a leasehold interest. The rights and privileges of such persons are subject to suspension to the same extent as those of a member.

CHAPTER 4

BOARD OF DIRECTORS
4.05 The affairs of the Association shall be governed by a Board of Directors composed of three persons, from among the members, provided that husband and wife, or any entity of more than one person holding title to one lot, may not serve as directors simultaneously.

4.10 The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts as are not by law or by these Bylaws directed to be done by the owners specifically. The directors responsibilities include the care, upkeep and surveillance of the properties and the private common areas, the repair and upkeep of all private roads in the development, the collection of monthly assessments from the owners in accordance with these Bylaws; the designation and dismissal of personnel necessary for the maintenance and operation of the properties, the private common areas, and this Association; to call special meetings of the members as set forth in these Bylaws; to adopt and publish rules and regulations governing the use of the private common areas to cause to be kept complete records of all its acts and corporate affairs and present a statement of such to the members at the annual meeting of the members or any special meeting at which such statement is requested in writing by five percent of the voting membership as provided by these Bylaws.

4.15 The Board of Directors may employ and establish compensation for a management agent who shall be an officer of the Association to perform such duties and services as the Board shall authorize, including the carrying out of the duties set forth in Section 4.10 of this chapter.

4.20 The first meeting of the newly elected Board of Directors shall be held within ten 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 legally to constitute such meeting, providing a majority of the whole Board shall be present.

4.25 Regular meetings of the Board of Directors may be held at such time and place as shall be determined by the majority of the directors. Notice of regular meetings shall be given by the Secretary on five days notice to each Director, personally or by mail or telephone, which notice shall state the time and place of the meeting.

4.30 Special meetings of the Board of Directors may be called by the President on twenty-four hours notice to each director, given personally or by mail or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of any one director.

4.35 Before or at any meeting of the Board of Directors, any director may 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 directors are present at any meeting of the Board, no notice shall be required and business may be transacted.
CHAPTER 5
NOMINATION, ELECTION, AND TERM
OF OFFICE OF DIRECTORS

5.05 Nominations for elections to the Board of Directors shall be made by a Nominating Committee constituted as set forth in these Bylaws.

5.10 A Nominating Committee shall meet at least fifteen days prior to the annual meeting and shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled.

5.15 At the annual meeting or a special meeting called for elections, the Nominating Committee shall present its nominations to the membership, and the president shall invite additional nominations from the floor. Any proposed nominee must have given oral consent prior to his nomination. After the nominations are closed, the president shall call for the election of the directors orally unless at least three persons demand that the election be in writing, in which event, the president shall direct the secretary to prepare written ballots and the election shall proceed. The announcement of the winners shall be made at the meeting.

5.24 At any regular or special meeting of the members duly called, any one or more of the directors may be removed by a two-thirds vote of the members present, and a successor may then and there be elected to fill the vacancy. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

5.25 Vacancies in the Board of Directors caused by any reason other than removal of a director by a vote of the Association shall be filled by a vote of the majority of the remaining directors, and each person so elected shall be a director until his successor is elected at the next annual meeting of the Association or a special meeting called for that purpose.

5.30 At the first meeting of the directors following the first meeting of members, the directors shall determine as between themselves that the term of one director shall be for three years, the term of one director shall be for two years, and the term of one director shall be for one year. At the expiration of the initial term of office for each director, his successor shall be chosen for a term of three years as provided in these Bylaws.

CHAPTER 6
OFFICERS

6.05 The principal officers of the Association shall be a Chairman, (the President), a Vice-President, and a Secretary-Treasurer, all of whom will be elected by and from the Board of Directors.

6.10 The officers shall be elected annually by the Board of Directors, at the organizational meeting of each new Board, and shall hold office
6.15 Upon the affirmative vote of a majority of the members of the Board of Directors, an officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or any special meeting of the Board called for that purpose.

6.20 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 general powers and duties which are usually vested in the office of President, including the power to appoint committees from time to time as he may determine as appropriate to assist in the affairs of the Association.

6.23 The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act, and have such other duties as the President shall determine. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on a temporary basis.

6.30 The Secretary-Treasurer shall keep the minutes of all meetings of the Board of Directors and of the Association, shall have charge of the books and records of the Board of Directors and the Association, and shall have responsibility of the Association's funds, and be responsible for keeping accurate accounts of all receipts and disbursements belonging to the Association. The Secretary-Treasurer shall carry out other duties under the direction of the Board of Directors. The Secretary-Treasurer may be compensated in such a manner as the Board of Directors shall deem appropriate.

6.35 Officers and directors other than the Secretary-Treasurer shall serve without compensation unless the owners, by a two-thirds vote, shall approve of compensation for such officers or directors. Directors may receive reimbursement for all expenses incurred on behalf of the Association.

CHAPTER 7
MEETINGS OF MEMBERS

7.05 Meetings of the Association will be held at a suitable place convenient to the owners as may be designated by the Board of Directors.

7.10 The second annual meeting of the Association will be held on the third Wednesday of January, and thereafter, the annual meetings of the Association will be held on the same day of each succeeding year. At such meetings, there shall be elected by the members a Board of Directors in accordance with these Bylaws, and the members may also transact any other business as may properly come before them.

7.15 The President may call a special meeting of the members at any time, and shall do so upon request of two Directors or upon a petition.
signed by ten percent of the members and having been presented to the Secretary. The notice of any special meeting shall state the time, place, and purpose of the meeting. No business shall be transacted at the meeting except as stated in the notice.

7.20 The Secretary-Treasurer shall mail a notice of each annual and each special meeting, stating the purpose, as well as the time and place, to each member, at least ten but not more than thirty days prior to such meeting. Mailing in this manner shall be considered as serving notice.

7.25 The presence in person or by proxy of fifty-one present of those eligible to vote shall constitute a quorum.

7.30 Votes may be cast in person or by proxy. Proxies must be filed with the Secretary in writing before the appointed time of each meeting.

7.35 If any meeting of members cannot be organized because a quorum is not in attendance, the members who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called.

7.40 Except where there is something in the Articles, Declaration, or Bylaws to the contrary, the order of business shall be as set forth in the latest published revision of Robert's Rules of Order.

CHAPTER 8

COMMITTEES

8.05 The standing committees of the Association shall consist of a Nominating Committee, and Architectural Control Committee such as other standing committees as the Board shall determine. The duties of each committee shall be set by the Board of Directors and their membership shall be determined by the Board.

8.10 In addition to the standing committees, the Association may have other committees carrying out such duties as the Board of Directors may determine.

CHAPTER 9

OBLIGATIONS OF THE ASSOCIATION

9.05 Private Roads. Association shall be responsible for the maintenance, upkeep, and repair of all private roads and common parking areas within the development. This shall be done in accordance with applicable city standards as set by the City of Minnieville and is not intended to create any duty to any person or organization except the owner. The duty to the owners shall be determined by the decision of the Directors.
CHAPTER 10

OBLIGATIONS OF THE OWNERS

10.05 Annual Assessment. All owners are obligated to pay, on a monthly basis, the annual assessment imposed by the Association to meet all Association common expenses, which include but are not limited to streets, street light leases, street cleaning, a liability insurance policy, a property and extended coverage insurance policy, maintenance of the common parking areas and landscaped areas. Such assessment shall include monthly payment to general operating reserve and a reserve fund for maintenance, replacements, and upkeep of private roads and street lights.

10.10 Special Assessment. All owners are obligated to pay a special assessment for capital improvements, replacements or repairs. The amount of such assessments shall be approved by a majority of the members at a regularly scheduled meeting.

10.15 Each owner must perform promptly all maintenance and repair work on his own lot and building which, if omitted, would affect the properties belonging to other owners. An owner shall reimburse the Association for any expenditure incurred by it in repairing any part of the private commons damaged through the fault or negligence of an owner.

10.20 An owner shall not place or cause to be placed in the private commons any objects which could block normal transit through such private commons. An owner shall take no action which would unreasonably interfere with the use of the private commons by other owners.

10.25 Restrictions. Residents shall exercise care about making noise that may disturb other residents.

10.30 Failure by the owner to pay any assessment by the Association shall be a default by the owner and subject the owner and the lot to the obligations of these Bylaws and the Declaration. Any default by the owner shall be deemed to be a default by the owner of any mortgage to which the owner is party or to which the property is subject.

CHAPTER 11

AMENDMENTS

11.05 These Bylaws may be amended by the Association at a duly constituted meeting but no amendment shall be effective unless approved by the members representing at least seventy-five percent of the owners and until such amendment has been certified by the President and Secretary of the Association.

CHAPTER 12

ADMINISTRATIVE RULES AND REGULATIONS

12.05 The Board of Directors may promulgate, by two-thirds vote,
such additional administrative rules and regulations governing the details of the operating and use of the private common areas as they shall, in their discretion, determine. Such rules and regulations shall be furnished to all members and shall be subject to change without notice.

CHAPTER 13

FINANCIAL ADMINISTRATION OF THE ASSOCIATION

13.03 In addition to the managing agent, the Board of Directors may employ for the Association such other persons necessary or desirable for the maintenance of the private common areas or other Association purposes, as the Board of Directors shall determine.

13.10 The managing agent shall have authority to disburse funds only up to an amount to be determined by the Board of Directors. For any expenditure of funds over the said sum, the check shall contain the approval of, and the signature of, one of the three officers of the corporation in addition to that of the managing agent. The Association shall maintain such adequate books and records as good general business practice requires and may acquire the services of a professional accountant.

13.15 The fiscal year of the Association shall be a calendar year or such other year as the Board of Directors shall determine.

CHAPTER 14

INSURANCE

14.05 The private common areas, including common streets, footways, structures, personal properties, common parking areas and common landscaped areas and any properties maintained by the Association for the common benefit of all members, shall be insured in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against:

(a) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and

(b) Such other risks as shall be customarily covered, including but not limited to vandalism and malicious mischief.

(b) Public liability in such amounts and with such coverage as shall be required by the Board of Directors.

14.10 Workmen's Compensation policy to meet the requirements of law.

14.15 Such other insurance as the Board of Directors shall determine from time to time to be desirable.
14.20 Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

14.25 All insurance policies purchased by the Association shall be for the benefit of the Association and the owners, and shall provide that all proceeds covering property losses shall be paid to the Association. The duty of the Association shall be to receive such proceeds as are paid and hold the same for the purposes elsewhere stated herein and the benefit of the owners.

14.30 Proceeds of insurance policies received by the Association shall be distributed for the benefit of the owners in the following manner:

(a) Reconstruction or repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost. Any proceeds remaining after defraying such costs shall be held by the Association and distributed for the benefit of the owners as the Association may direct.

(b) Failure to reconstruct or repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be held by the Association and distributed for the benefit of the owners as the Association may direct.

14.35 The Association is irrevocably appointed agent for each owner and for each owner of a mortgage or other lien or any other interest in the private common to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

These Bylaws, duly, regularly and unanimously passed by the Board of Directors of Tanglewood Homeowner's Association on the day of 1983.
AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS
FOR CARLSON'S ADDITION

This amendment is made July 19, 1985 by Barry House, Roberta House and Marilyn Dell, "The Developer" and concerns the Declaration of Covenants and Restrictions for Carlson's Addition, recorded June 3, 1982 in Film Volume 194, Page 1967, Deed and Mortgage Records of Yamhill County, Oregon.

The Declaration of Covenants and Restrictions described above is hereby modified by deleting in its entirety, the text of Article X, Section 3 and in its place substituting the following amended Article X, Section 3:

Section 3. Access of City Police, Fire and Ambulance. All streets, roads and ways located upon the property or located upon property subsequently annexed by the Association pursuant to the Bylaws, and subject to these covenants and restrictions shall be open for use by the police, fire and ambulance departments of the City of McMinnville to provide any services required within their assigned responsibilities. The City shall also have full authority to enter upon said streets, roads and ways to enforce all ordinances of the City and traffic laws of the State of Oregon and to issue citations for any violations thereof.

Dated this 19th day of July, 1985.

Barry House
Roberta House
Marilyn Dell

STATE OF OREGON, County of Yamhill ss:

Personally appeared Barry House and Marilyn Dell and acknowledged the foregoing instrument to be their voluntary act and deed.

[Signature]
Notary Public for the State of Oregon
Commission expires 6-26-89

[Signature]
County Clerk

[Signature]
Clerk

FILED

[Signature]
County Clerk

[Signature]
Clerk
AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS
FOR CARLSON'S ADDITION

This amendment is made April 1, 1985 by Barry House, Roberta House and Marilyn Dell, "The Developer" and concerns the Declaration of Covenants and Restrictions for Carlson's Addition, recorded June 5, 1985 in Film Volume 194, Page 1987, Deed and Mortgage Records of Yamhill County, Oregon.

There has been a boundary line adjustment between Lots 2 and 3 of Carlson's Addition, City of McMinnville. All applicable laws and regulations have been complied with and written consent has been obtained from all owners of the property, which is the subject of this Declaration.

The Declaration of Covenants and Restrictions described above, as originally recorded and as amended by instrument recorded July 20, 1985 in Film Volume 194, Page 224, Deed and Mortgage Records; and the Bylaws of Tanglewood Homeowner's Association, adoption pursuant to that Declaration and recorded Film Volume 194, Page 1997, Deed and Mortgage Records, Yamhill County, Oregon, is hereby amended to correct any potential problem or ambiguity concerning the rights and obligations of the respective lot owners in question and concerning questions of title to the lots or private commons.

The express intention of the parties to the Declaration and the parties to the boundary line adjustment is that there shall be no change in the rights and obligations of the owners of either Lot 2 or Lot 3 or any of the other property which is subject to the Declaration, except that the two-foot strip of property is transferred from Lot 2 to Lot 3.

Article IX, Section Eight C (1) is hereby made a part of the Declaration. The text of that section is as follows: For purposes of this Declaration and the Bylaws of the Tanglewood Homeowner's Association (as they now exist or may be amended from time to time), "Lot 2" means Lot 2, Carlson's Addition, as described in Deed and Recorded in Film Volume 194, Page 1987, Deed and Mortgage Records of Yamhill County, Oregon. "Lot 3" means Lot 3, Carlson's Addition, in the City of McMinnville, as described in Deed and Recorded in Film Volume 194, Page 1993, Deed and Mortgage Records of Yamhill County, Oregon.

Dated this 1st day of August, 1985.
STATE OF OREGON, County of Yamhill

Personally appeared Barry House and Marilyn Dell and Roberta House and acknowledged the foregoing instrument to be their voluntary act and deed.

STATE OF OREGON, County of Yamhill

Notary Public for the State of Oregon
My Commission Expires: 2/28/79

COUNTY CLERK

I hereby certify that this instrument was received and duly recorded by me in Yamhill County records.

COUNTY CLERK