DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR FOREST GLEN

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR FOREST GLEN ("Declaration") is made by Forest Glen Partners LLC., an Oregon corporation ("Declarant").

RECITALS

Declarant is the owner of all the real Property and Improvements thereon located in Yamhill County, Oregon, described as follows (the "Property"):

Lots 1-44 inclusive as shown on the Plat map of Forest Glen filed for record on 7-24-2007, as Instrument 2007166177, in the Plat records of Yamhill County, Oregon.

Declarant intends to develop Forest Glen as a Class I planned community. To establish Forest Glen, as a planned community, 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 Lots in Forest Glen.

Declarant has deemed it desirable for the efficient preservation of the values and amenities in Forest Glen to create a nonprofit corporation, to which will be delegated and assigned the powers and authority to own, maintain, and administer the Common Areas, and to maintain, repair, and replace certain portions of the tracts and other Commonly Maintained Property, and 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, Declarant declares that the Property shall be held, transferred, sold, conveyed, and occupied subject to the Oregon Planned Community Act as may be amended from time to time (ORS 94.550–94.783) and subject to the following covenants, conditions, restrictions, easements, charges, and liens, which shall run with the land, which shall be binding on all parties having or acquiring any right, title, or interest in the Property or any part thereof, and which shall inure to the benefit of the Association and of each Owner.
ARTICLE 1
DEFINITIONS

1.1 Architectural Review Committee or “ARC” shall refer to that committee constituted and acting pursuant to Article 6 of this Declaration.

1.2 Articles shall mean the Articles of Incorporation for the nonprofit corporation, Forest Glen Homeowners’ Association, Inc. as filed with the Oregon Secretary of State.

1.3 Association shall mean and refer to Forest Glen Homeowners’ Association, Inc., its successors and assigns.

1.4 Board shall mean the Board of Directors of the Association.

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

1.6 City shall mean and refer to the City of McMinnville, Oregon in which the Property is located.

1.7 Common Areas shall mean Tracts A, B, C, D and E, which are established for the common benefit of Forest Glen and which are owned by the Association for the use and/or benefit of the Owners.

1.8 Commonly Maintained Property shall mean the Common Areas, and also shall mean any area within public rights-of-way, or other Property that the Association is required to maintain for the common benefit of the Members, including without limitation those areas described in Article 5.8.

1.9 Declaration shall mean the covenants, conditions, restrictions, and all other provisions set forth in this Declaration.

1.10 Declarant shall mean and refer to Forest Glen Partners, LLC., an Oregon corporation, and its successors or assigns, or any successor or assign to all or the remainder of its interest in the Property.

1.11 Home shall mean and refer to any portion of a structure situated on a Lot and designed and intended for use and occupancy as a residence by a single family or household.

1.12 Improvements shall mean and refer to any man-made changes under natural conditions of the land including, but not limited to, structures and construction of any kind whether above or below the land surface, such as any building, fence, walls, gates, pillars, free standing clock, signs, additions, alterations, sewer drain, road, pavement, utilities, grading, landscaping and exterior illumination.

1.13 Lot shall mean and refer to each and any of Lots 1-44; provided, however, that Lot shall not include any Tracts.
1.14 Members shall mean and refer to the Owners of Lots in Forest Glen.

1.15 Occupant shall mean and refer to the Occupant of a Home, whether such person is an Owner, a lessee, or any other person authorized by the Owner to occupy the Home.

1.16 Owner shall mean and refer to the record Occupant, whether one or more persons or entities, of the fee simple title to any Lot or a purchaser in possession of a Lot 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.

1.17 Forest Glen shall mean Lots 1-44 of the Property and as designated on the Plat of Forest Glen.

1.18 Plat shall mean and refer to the Plat of Forest Glen recorded in the Plat Records of Yamhill County, Oregon, as Instrument 200716617, on 7-24-2007.

1.19 Property shall have the meaning attributed to such term in the Recitals of this Declaration and to any annexation of additional Property including Tracts, Common Areas and all Improvements located on the real Property, as may be brought within the jurisdiction of the Association and be made subject to this Declaration.

1.20 Rules and Regulations shall mean and refer to the documents containing Rules and Regulations and policies adopted by the Board or the Architectural Review Committee, as may be from time to time amended.

1.21 Setback shall mean the minimum distance between the Home or other structure referred to and a given Property line, unless otherwise indicated.

1.22 Tract shall mean a parcel of land, shown on the Plat and denoted by the word "Tract".

ARTICLE 2
PROPERTY SUBJECT TO THIS DECLARATION

2.1 Development. The development of Forest Glen shall consist of the Property, which shall be held, transferred, sold, conveyed, and occupied subject to this Declaration.

2.2 Right to Subject Additional Property to this Declaration. Declarant reserves the right to subject additional Property to this Declaration. Declarant shall have no obligation of any kind to annex additional land to the Property.

2.2.1. Declaration of Annexation. Annexation shall be evidenced by a written Declaration of Annexation executed by the Declarant (or in the case of annexation by actions of Members) by the Board and the Occupants of the Property being annexed, setting forth the legal description of the Property being annexed and any additional covenants, conditions or restrictions to be applied to such annexed Property. Notwithstanding any provision apparently to the contrary, a Declaration with respect to any annexed Property may:
2.2.1.1 Establish such new land classifications and types of lots and such limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant may deem to be appropriate for the development of the annexed Property;

2.2.1.2 With respect to existing land classifications, establish additional or different limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant may deem to be appropriate for the development of such annexed Property; and or

2.2.1.3 Contain provisions necessary or appropriate to comply with any condition, requirement or imposition of any governmental or regulatory authority.

Without limitation of the meaning of the foregoing provisions of this Article, in any Declaration of Annexation, the Declarant, may, but shall not be obligated to, establish different types of Lots and have particular rights and obligations pertain to different types of Lots, establish easements particular to different Lots, establish assessments that pertain only to certain types of Lots, establish maintenance obligations of the Association or of Occupants that vary in accordance with different types of Lots, establish insurance and casualty provisions that relate to certain types of Lots and not others and establish limited Common Areas that benefit particular Lots to the exclusion of other Lots and provisions particular to such limited Common Areas.

2.2.2 Voting Rights; Allocation of Assessments. Upon annexation, additional Lots so annexed shall be entitled to voting rights and shall be responsible for payment of assessments as required for that fiscal year. At the beginning of the next fiscal year, assessments for the general Common Areas shall be apportioned equally based upon the total number of Lots following such annexation, but assessments that are relative to a specific product type will be spread equally over only the units of that type.

2.2.3 No duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any member to annex any Property into the Association and no Occupant of Property excluded from the Association shall have any right to have such Property annexed thereto.

2.2.4. Status of Annexed Property. The Property Included by any such Declaration shall thereby become a part of these covenants, and Declarant shall accept and exercise administration of these covenants with respect to such Property.

ARTICLE 3
OWNERSHIP AND EASEMENTS

3.1 Nonseverability. The interest of each Owner in the use and/or benefit of the Common Areas, shall be appurtenant to the Lot owned by the Owner. No Lot shall be conveyed by the Owner separately from the interest in the Common Areas. Any conveyance of any Lot shall automatically transfer the right to use the Common Areas, where such Common Areas are designated for use by the Owners, without the necessity of express reference in the instrument of conveyance. There shall be no judicial partition of the Common Areas. Each Owner, whether by deed, gift, devise, or operation of law, for such Owner's 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 Common Areas and agrees that no action for judicial partition shall be instituted, prosecuted, or reduced to judgment. Ownership interests in the Common Areas and
Lots are subject to the easements granted and reserved in this Declaration. Each of the easements granted or reserved 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 Forest Glen.

3.2 Ownership of Lots. Title to each Lot in Forest Glen 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 Ownership of Common Areas. Title to any Common Areas shall be conveyed to the Association via the recording of the plat, or in any case, not later than the date of the Turnover Meeting.

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

3.4.1 Easements on Plat. The Common Areas and Lots are subject to the easements and rights-of-way shown on the Plat.

3.4.2 Easements for Common Areas. Every Owner shall have a nonexclusive right and easement of use and enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to every Lot. Such easement is subject to ORS 94.665, as may be amended from time to time.

3.4.3 Easements Reserved by Declarant. As long as Declarant owns any Lot, Declarant reserves an easement over, under, and across the Common Areas 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 to, from, over, in, upon, under, and across the Common Areas and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the Improvements on the Property in such a way as not to interfere unreasonably with the occupancy, use, enjoyment, or access to an Owner’s Lot by such Owner or such Owner’s family, tenants, employees, guests, or invitees.

3.4.4 Additional Utility and Drainage 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 Forest Glen. No structure, planting, or other material that may damage or interfere with the installation or maintenance of utilities, that may change the direction of flow of drainage channels in the easements, or that may obstruct or retard the flow of water through drainage channels in the easement areas shall be placed or permitted to remain within any easement area.

3.4.5 Association’s Easements. Declarant grants to the Association and its duly authorized agents and representatives such easements over the Lots and Common Areas as are necessary to perform the duties and obligations of the Association, as set forth in this Declaration, the Bylaws, the Articles, and the Plat, as the same may be amended.
ARTICLE 4
USE OF PROPERTY AND DESIGN STANDARDS

4.1 Residential Purpose. No Lot shall be used for any purpose other than residential purposes. To the extent permitted by the zoning and other governmental regulations, occupants of any home may give instruction in the arts and such similar activities.

4.2 Size, Height and Materials. The following regulations apply:

4.2.1 Building height is limited to 35 feet above curb grade.

4.2.1.1 Homes are limited to two stories in height except that buildings located on lots 1 through 19 may be constructed to three stories if a daylight basement is employed.

4.2.1.2 Homes constructed on lots 25 through 29 must be two stories in height.

4.2.2 Every home constructed in Forest Glen shall have a minimum of 2,500 sq. ft. of floor area, exclusive of garage area, except as follows:

4.2.2.1 Homes constructed on lots 26, 27 and 28 shall have a minimum of 2,200 square feet of floor area, exclusive of garage areas.

4.2.2.2 The home constructed on lot 29 shall have a minimum of 2,300 square feet of floor area, exclusive of garage area.

4.2.2.3 The homes constructed on lots 30, 34, 35, 40, 41, 42, 43 and 44 shall have a minimum of 2,400 square feet of floor area, exclusive of garage area.

4.2.2.4 Variances of square footage requirements may be obtained with written approval of the ARC if such reduction is based on irregular lot shape, unusual construction design or a need to preserve existing trees.

4.2.3 Every building, fence, wall or other structure placed on any part of any lot shall be constructed of new material unless the use of other than new material shall have been reviewed and shall have received the written approval of the ARC. No buildings constructed elsewhere shall be moved to or placed on said property except with the written approval of the ARC.

4.2.4 All roofing material shall be tile or 50 year “presidential” (triple layer thickness) composition shingle. Cedar shake or cedar shingle may be employed on lots 20 through 29, 30 through 33 and 36 through 44. Roofing material other than cedar shake/shingle, tile or 50 year “presidential” composition shingle may be used only if approved in writing by the ARC.
4.2.5 All buildings shall have siding materials on all sides of every structure or improvement placed on the premises. All siding material shall be natural wood, brick, stone, concrete stucco, cemaiious board, or other like material approved by the ARC. No T-111-303, or other vertical plywood-type siding shall be allowed on any home or any other structure on the property except that a cedar sheet type siding with bats or similar high-end type sheet siding may be employed if approved in writing by the ARC.

4.2.6 The street frontage side of all homes and garages shall include a minimum of 20 percent of solid surfaces in brick veneer, stone or other masonry treatment. Front and exterior side yard masonry walls may be counted toward meeting this requirement. Variances to the percentage requirement may be obtained with written approval of the ARC if it is found that such percentage is incongruous with the architectural style of the home and that the reduction would have no negative impact on the overall harmony of the Forest Glen development.

4.3 Garages, Outbuildings. Each home shall have a two or more car (minimum two car) garage, either attached or detached, which shall be consistent architecturally with the main building. No carport shall be allowed or constructed on any lot.

4.3.1 Garage location. In cases where a garage is constructed as part of the main building and where the garage door openings are on a parallel plane with the front of the home being constructed, the garage must be setback from the property frontage a minimum of three feet further than the main structure is set back.

4.3.1.1 Section 4.3.1. above, does not apply to attached garages where the garage door openings (and thus the garage) are designed at a minimum 30 degree angle from the main building.

4.3.1.2 Garages which are detached and separate from the main building may be constructed forward of the main building subject to review and approval of the ARC.

4.3.2 Outbuildings, location and materials. Any and all outbuildings constructed in Forest Glen must be architecturally compatible with the main building, using the same siding and roofing materials, matching roof pitch and colors. Outbuildings shall only be allowed behind the back building line of the main structure and a minimum of 15 feet from any side property line.

4.3.2.1 Prefabricated outbuildings are not allowed in Forest Glen.

4.4 Setback Requirements. Every home or other improvement as may be approved by the ARC shall comply with the following setback requirements. If a more strict setback requirement is provided in some other section of these CC&R’s, the more strict requirement shall apply.

4.4.1 The minimum front yard setback requirement shall be five (5) feet (however, beware of front yard easements).

4.4.2 There shall be an 18-foot front yard setback for garages whose open side faces onto a private sidewalk. This setback shall be measured from back edge of sidewalk to the open side of the structure.
4.4.3 The rear yard setback shall be fifteen (15) feet.

4.4.4 There shall be a 5-foot side yard setback requirement with no less than 15 feet between main structures on abutting parcels (main structure defined as the house or garage).

4.4.5 There shall be a 15-foot exterior side yard setback for those lots abutting Fleishauer Lane.

4.4.6 Not withstanding section 4.4.5 above, the exterior side yard setback requirement shall be five (5) feet (however, beware of side yard easements).

4.4.7 The rear yard setback requirement shall be 20 feet for lots 19 through 29 (the South boundary of the Forest Glen development). (However, if the yard next to the South boundary is an interior side yard for lot 25 or 26, the setback then shall be seven and one half (7 ½) feet).

4.5 Temporary Occupancy. No building shall be in any manner occupied while in the course of original construction or until it complies with all CC&R's stated herein. The construction or remodeling of any building or structure shall be prosecuted with reasonable diligence continuously from the time of commencement until fully completed.

4.6 Temporary Structures; Recreational Vehicles. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently. No campers, motor homes, boats, boat trailers, travel trailers, utility trailers, tents, or non-operable vehicles shall be permitted to be left where they shall be visible from the street or from contiguous property within Forest Glen for a period in excess of seven (7) days. If any such structure, vehicle, or boat is permanently stored on the premises, it shall be stored either inside a garage or fully enclosed detached structure. No vehicle of the type described herein shall be kept on the street.

4.7 Fences; Location, height, materials, type. The following regulations apply.

4.7.1 No Fence shall be allowed to be constructed in front of the front building line of the main building or the side building line in the case of an exterior side yard, except as follows:

4.7.1.1 Fences which are an integral part of the landscape design may be permitted in the front or exterior side yard of a lot subject to approval of the ARC.

4.7.1.2 Masonry walls shall not be considered as fences when located in front of the front building line of the main building and may be constructed within five (5) feet of the front property line (However, beware of front yard easements).

4.7.2 Fences behind the front building line of the main building shall be constructed of wood, masonry or masonry columns with wood in between. All fence boards shall be kiln dried pre-stained cedar. All fences shall look the same when viewed from either side. The location, materials and design of any proposed fence shall be approved by the ARC prior to construction.
4.7.3 Chain link fences, slatted or not, are prohibited, except that a chain link fence may be employed on the northern, eastern and southern boundaries of Tract E by the Declarant or Home Owners Association.

4.7.4 No fences shall be constructed within the 100-year flood plain (119 foot elevation). In addition, the placement or construction of fences within any known wetland area is prohibited.

4.7.5 The fence constructed on the Southern boundary of Forest Glen (the South property line of lots 19 through 29) by the Declarant becomes the private property of the individual property owner upon purchase of the lot. It is the responsibility of the property owner to maintain the fence by keeping it in proper repair, replacing portions as needed, and keeping it washed and stained, as needed.

4.7.6 All fencing associated with the entry gate systems located at the Western terminus of the main entryway street and on Terra Drive where it enters Forest Glen from the south is a common facility owned by the Homeowners Association and shall be maintained by the Association. This fencing includes that along or near the Western property lines of lots 1 and 29 and that along or near the eastern side property line of lot 26.

4.7.7 The fence constructed on the northeast lot line of the private park (Tract C) adjacent to lot 30 is a common facility and is owned and shall be maintained (both sides) by the Homeowners Association.

4.8 Reserved.

4.9 Landscaping Requirements. All yard areas on each lot, exclusive of buildings, driveways and sidewalks, shall be landscaped. All landscaping shall be installed in accordance with a landscaping plan approved by the ARC. Landscaping shall present a complete and finished look to the entire lot except as provided for in sections 4.9.1 and 4.9.2, below. The nature, kind of materials, and topography of the landscaping, and its maintenance, shall be consistent with the quality generally maintained in the neighborhood.

4.9.1 The rear lot areas of lots 1 through 19, inclusive, may be allowed to be maintained in a natural state, in part or in whole, as approved by the ARC.

4.9.2 Any known wetland area, notably in the rear lot areas of lots which have creek frontage, shall be left in a natural state unless a mitigation plan is submitted to and approved by the ARC. In addition any disturbance within the 100-year flood plain shall only be as permitted by the local, state, and federal regulations.

4.9.3 All unbuilt yard areas shall have their initial landscaping installed within six months from the date of building construction completion in accordance with the plans submitted to and approved by the ARC. Under unusual circumstances, the ARC may grant reasonable time extensions for completion of landscaping.
4.9.4 Landscaping shall be designed to incorporate existing trees on a lot. In no case shall an existing tree greater than 12-inches dbh (diameter at breast height) be removed for the purposes of facilitating a landscape plan.

4.9.5 Within eighteen (18) months of purchase, lots on which construction has not begun must be landscaped and must have an automatic sprinkler system installed, in conformance with the following minimum standards.

(a) The entire area of lots 20 through 44, inclusive, shall be planted in lawn and shall be automatically irrigated.

(b) The area between the street and the top of the bank on lots 1 through 19, inclusive, shall be planted in lawn and automatically irrigated.

(c) A lot area not planted in lawn must be kept mowed where practical and shall be maintained in a neat and tidy condition.

(d) A maintenance contract with a professional landscape contractor shall be maintained for all lots which fall under the provisions of section 4.9.5. Such contract must provide for weekly mowing during the growing season and periodical mowing during the non-growing season. All contracts must be submitted to and approved by the ARC.

(e) The ARC may, under unusual circumstances, allow variation to subsections A through D above.

(f) Violation of section 4.9.5 may result in the ARC causing the lot to be landscaped and maintained by a professional landscape contractor in accordance with the provisions of this section. Such action may result in a lien being placed on the subject lot if other satisfactory financial arrangements are not made.

4.9.6 The park strip area between the curb and sidewalk on lots 1 and 26 through 29 shall initially be landscaped and maintained by the Declarant. Maintenance responsibility for these park strips shall shift to the property owner after completion of a home on the affected lot. The irrigation system in the park strip shall be disconnected from the common area system and reconnected to the private system on the subject lot when such system is installed.

4.9.7 Landscaping and irrigation systems in the common areas (Tracts A, B, C, D, and E) and in the Fleishauer Lane right of way between the back of sidewalk and the Forest Glen fence located on the western property line of the development shall be installed (where called for in the development plan) by the Declarant. Maintenance of said landscaping and systems shall be paid for by proportional shares of Homeowners Association dues and Declarant contributions until the turnover meeting takes place, after which, all costs shall be borne by the Homeowners Association.

4.9.8 All landscaping on a lot shall be maintained and cared for in a manner that is consistent with the ARC’s original approval of such landscaping. Weeds and diseased or dead lawn, trees, groundcover, or shrubs shall be removed and replaced. Lawns shall be neatly mowed.
4.10 Street Trees. Street trees shall be installed in accordance with the Street Tree Master Plan as approved by the ARC and are governed more specifically as follows.

4.10.1 Street trees shall be planted and maintained in the park strip between the sidewalk and curb on lots 1, 26 through 29, and lots 30 through 44 (except lots 34, 35, 41 and 42). The street trees on lots 1 and 26 through 29 shall be planted by the Declarant and maintained by the same until such time as the affected lot is purchased, a home is built, and landscaping is installed, at which time the property owner shall take responsibility for maintenance. The street trees on lots 30 through 44 (except lots 34, 35, 41 and 42) shall be planted and maintained by the homeowner. Tree planting on lots 30 through 44 (except lots 34, 35, 41 and 42) shall take place as a part of the lot landscaping, or if the lot falls under the provisions of section 4.9.5 above, at such time as front lawn planting is required.

4.10.2 Street trees shall be planted and maintained in the front and exterior side (lot 25) yards of lot 20 through 25 in a five foot area behind the back of the curb as shown on the street tree master plan. Said street trees shall be planted as a part of the lot landscaping, or if the lot falls under the provisions of section 4.9.5 above, at such time as front lawn planting is required.

4.10.3 All street trees must be a minimum of three-inch caliper at the time of planting.

4.10.4 It shall be the responsibility of the property owner to replace or relocate any street tree that is caused to be removed by driveway construction or any other improvement on the lot. The property owner shall replace any trees which may die due to neglect, vandalism, or loss during construction. All replaced trees shall conform to the species and characteristics of the original trees.

4.10.5 All street trees within Forest Glen shall be maintained and replaced when necessary at the expense of the front foot property owner. However, all street trees shall fall under the ownership of the Association.

4.11 Irrigation. All lots within Forest Glen shall have automatic landscape irrigation systems. Said systems shall at a minimum cover the front yard and exterior side yards from building face to curb. Irrigation systems must be approved by the ARC as part of the parcel landscape plan.

4.12 Existing Trees. It was the Declarant’s vision when designing the Forest Glen project that the homes and other improvements be designed and constructed in such a way as to fit into the existing environment with as little impact as practicable. It was recognized that the existing trees are a large part of what makes the development special and should therefore be preserved wherever possible. It was observed that all of the trees on the site could not be preserved; a certain number would have to be removed in order to develop reasonable building footprints and to properly serve certain sites with infrastructure. However, through the use of flexible setbacks and a requirement that building design take into account the preservation of
existing trees as a main goal, the great majority of the existing tress can and will be maintained. Existing tree maintenance and removal shall comply with the following requirements if a more strict requirement is provided in some other section of these CC&R's, or in other documents governing this development, the more strict requirement shall apply.

4.12.1 No tree greater in size than 12-inches dbh shall be removed from any property at anytime, now or in the future, without first gaining the written approval of the ARC. The ARC may require justification for any removal in the form of professional arborists reports, structural building plans with an explanation of why the structure can not be designed around the tree, and any other documentation the ARC might require. Building plans for any lot may be denied based on the simple fact that the proposal requires the removal of a tree or trees.

4.12.2 Pruning or limbing of any tree greater than 12-inches dbh shall require the approval of the ARC if any limbs involved are greater than 4 inches in diameter measured one foot from the tree trunk or from a larger limb from which it is to be removed. The ARC may require proof in the form of an arborists report that such pruning or limbing will not damage the health or stability of the tree. The ARC must decide that the proposed action will not damage the overall harmony or beauty of the Forest Glen development. Pruning and removal of dead limbs and of limbs which do not surpass the size requirements noted above may be undertaken without the approval of the ARC.

4.12.3 No tree greater than 12-inches dbh shall be removed or severely pruned or limbed when such action is proposed simply as a means to reduce the amount of debris the tree deposits on the roof and or in the gutters of a structure. Reasonable pruning, which does not leave the tree misshaped and does not damage the trees health or stability is allowed as per the requirements and limitations of section 4.12.2, above.

4.12.4 Creative engineering and construction techniques shall be encouraged in instances where proposed building foundations come into conflict with the root system of existing trees which are greater than 12-inches dbh. The ARC may require the use of such techniques in the event that the proposed construction would cause, in the opinion of the ARC, irreparable damage to the present or future health of a tree greater than 12-inches dbh.

4.13 Sidewalks. With the exception of the sidewalks along Fleishauer Lane, which are owned by the public, all sidewalks within Forest Glen are private and are owned by the Homeowners Association.

4.13.1 A five foot wide sidewalk shall be constructed by the property owner on lots 30 through 40 and lots 43 and 44 subject to the following requirements.

4.13.1.1 Sidewalks shall be constructed as part of the home construction package and must be completed prior to home occupancy, except as provided in section 4.13.1.2, below.

4.13.1.2 Sidewalks must be constructed on vacant lots within 18 months of purchase if home construction has not begun.
4.13.1.3 All sidewalks shall be constructed to City of McMinnville standards at a minimum and shall have a consistent edging and finish.

4.13.1.4 Sidewalks shall generally be constructed five feet behind the street curb back (leaving five foot park strip.) However, this standard may be varied by the ARC when it is in the best interests of good design or it is done in order to miss or to give extra room to an existing tree or trees (Lots 33, 34 and 35, most notably).

4.13.2 The Declarant shall construct the sidewalks on lots 1, 2, 25 and 26 through 29. Said sidewalks are subject to the provisions of this section.

4.13.3 Maintenance, repair, and replacement of sidewalks is the responsibility of the front foot property owner, except as provided in section 4.13.4, below. The Board may order a property owner to repair or replace a sidewalk or a sidewalk section if they find that the sidewalk is unsafe, hazardous or unsightly.

4.13.4 In instances where sidewalk damage is caused by trees which are owned by the Association or by existing trees the Board or the ARC would not allow to be removed, a property owner may petition the Board requesting its participation in paying a share of the costs associated with the repair or replacement. The Board has the authority to choose to participate in zero percent to 100 percent of the costs as set by Board policy (which may change from time to time).

4.14 Storm Drainage. The storm drainage system within Forest Glen is totally private and is owned by the Homeowners Association. All maintenance of the system is the responsibility of the Forest Glen Homeowners Association.

4.15 Home Construction Phase. It is the policy of the Forest Glen Board that the development present a neat and well cared for image at all times. This policy is reflected in the following requirements and restrictions on the individual home construction phase of the development.

4.15.1 At no time shall any lumber, rock, or other material be deposited or stored on the street. All building materials must be confined to the site. Construction material stored on a site shall be kept in as neat and tidy fashion as practicable.

4.15.2 No vehicles associated with the construction on a site shall be allowed to remain on the street overnight.

4.15.3 All sites shall be policed at the end of each work day. Garbage shall be picked up and disposed of. Wood scraps and other leftover construction materials shall be deposited in neat piles.

4.15.4 All dirt, mud, and gravel shall be cleaned from the street daily. In no case shall a street be left less than clean of construction debris overnight. In order to minimize the amount of debris, graveled construction approaches must be among the first things done in preparing site for construction.
4.15.5 Failure to comply with the provisions of this section may result in a fine levied against the general contractor by the Homeowners Association Board. Each day such non-compliance continues shall constitute a new violation and fines may be levied accordingly. Fine amounts shall be set by the Board. The subject property owner shall be responsible for the payment of fines left unpaid by the general contractor.

4.16 Private Easements. Private easements to the benefit of the Forest Glen Homeowners Association exist over the top of and within five feet on all sides of commonly owned (owned by Forest Glen) facilities which are outside the boundaries of tracts “A” through “E”. In addition, private easements cover all property between tract “A” and the house side of all commonly owned sidewalks. Generally, private easements are established for the use of Forest Glen homeowners and their guests. However, in certain specific instances, private easements may be reserved by the Board for maintenance purposes only or for specific lots only. It is the responsibility of the Forest Glen Board to set use guidelines and limitations for all private easements.

4.16.1 Where private easements are located on private property behind the fence of an enclosed yard, reasonable notice will be given to the property owner prior to entry for inspection, maintenance, repair or replacement of a private facility.

4.16.2 Attempts will be made to restore any yards or landscaping disturbed by work within a private easement to its condition prior to such work commencing. However, the Homeowners Association and its contractors bear no liability if such restoration is not practicable or is not done to the satisfaction of the affected property owner.

4.16.3 The 26-foot wide access and utilities easement, which is shown on the plat and which encumbers lots 40, 41, 42, and 43, is for the benefit of all utilities which are now, or which shall be at some future date, located within the easement, and for access to lots 41 and 42. Lots 40 and 43 are prohibited from taking access from the easement. The benefitted lots 41 and 42 are responsible for maintaining the existing paved surface and the light ballard located in the easement, and are required to maintain the shoulders to the edges of the easement as well. No gravel shoulder shall be installed along the driveway. The unpaved portion of the easement shall be landscaped with appropriate bushes, shrubs, ground cover, and flowers. A buried sprinkler system shall be provided on the sides of the driveway with sufficient numbers of sprinklers to adequately water the unpaved portions of the easement. The owners of lots 41 and 42 shall be responsible for the installation of the landscaping and irrigation system. The owners of lots 41 and 42 shall share equally in the maintenance of said easement except that the owner of any lot who damages the pavement during construction on the owners lot shall be solely responsible for repairing said damages.

4.16.4 The oak tree which is located on or near the property line between lots 7 and 8 some 59 feet back of the front property corner is of special interest because of its location and the potential conflicts that creates. Therefore, in addition to the other requirements of this Declaration the following requirements shall apply.

4.16.4.1 No fence shall be constructed within five feet of the tree without the owners of lots 7 and 8 first agreeing to the location and design. Should no satisfactory agreement be reached between the property owners, the proponent may bring the issue before the Board.
After providing opportunity for both property owners to be heard, the Board shall render a decision on the fence, using the Articles of this Declaration as a guide. The Board's action shall be final.

4.16.4.2 The subject oak tree shall not be cut down, topped, severely limbed or pruned without Board approval. The proponent of said action must present to the Board the conclusions and recommendation of a certified professional arborist which support the proponents position and which are based on safety or health conditions. The neighboring property owner shall be notified of the pending Board action and shall be given the opportunity to respond. The Board's action shall be final.

4.17 Public Utility Easements (PUE's). PUE's exist over the top of all public utilities within Forest Glen. Many of the PUE's also contain one or more private utilities such as telephone and television. PUE's, which vary in width, are noted on the official Forest Glen plat map. Generally speaking, no structures may be constructed on top of a PUE. Maintenance of the property within the PUE is the responsibility of the property owner.

4.18 Wildlife Protected. The wildlife which live within Forest Glen and which use Forest Glen as a corridor are protected by this regulation. No purposeful act, such as shooting, trapping, poisoning or other method, may be employed to rid a property of wildlife. However, fencing or other non harmful methods, may be employed to discourage wildlife from damaging gardens or landscaping. The exception to this rule is that burrowing type rodents, such as moles, which damage lawns and other landscaping, may be aggressively removed from a property.

4.19 Backyard Burning. Outside burning of garbage, trash, yard debris or any other material is prohibited in Forest Glen. Such material must be removed from the site and disposed of. No unsightly piles of rubbish shall be permitted to remain on any property within Forest Glen. The barbequing of food is not restricted by this regulation. However, any cooking facility which is not a standard, commercially sold barbeque, must be approved by the McMinnville Fire Department.

4.20 Post Office Boxes. All post office boxes and facilities within Forest Glen are owned by the Home Owners Association and are maintained by the Homeowners Association. Individual keys to boxes are the responsibility and property of the property owner. Access to the post office boxes is provided over Tract "A" or via private easement (see section 4.16).

4.21 Entry Gate Keys. The remote control "keys" to the entry gates to the subdivision are owned by the Homeowners Association. "Keys" will be distributed to individual property owners as per the rules established by the Board. A refundable deposit for each key distributed will be required, the amount of which to be set by the Board.

4.22 Seasonal Decorations. All outdoor displays of seasonal decorations (e.g. Christmas, Halloween) must be removed no later than 30 days after the celebrated day or occasion occurs.

4.23 Commercial Vehicles. Commercial vehicles may not be kept by owners or occupants, persons staying with owners or occupants, or for the benefit of owners or occupants, on streets abutting any of the property or on any lot (except a closed garage or other entirely closed parking facility) overnight. This applies to such vehicles owned or operated by an owner,
or a resident of the property, or anyone on the property with the permission of or for the benefit of an owner or resident of a lot.

4.24 Telecommunication Devices. Radio or television antennae or other outside receptors, except small satellite dishes that do not exceed two feet in diameter and two feet in height, shall not be permitted. Any allowed satellite dishes that are installed shall be placed on the property in an inconspicuous area where it is out of sight as viewed from the street.

4.25 Signage. No sign shall be erected on any lot except not more than one "For Sale" or "For Rent" sign placed by the owner, the Declarant, or by a licensed real estate agent. This restriction shall not prohibit the temporary placement of "political" signs on any lot by the owner, or the placement of a professional sign by the Developer, or builder's signs during construction.

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

4.27 Swimming Pools. Swimming pools constructed on lots shall be entirely the underground type. No above ground swimming pool may be installed or constructed on any lot. This section is not intended to regulate portable children's wading pools.

4.28 Nuisance. No noxious or offensive activity shall be carried on upon the single family lots or any part thereof, nor shall anything be done or maintained which may be or become an annoyance or nuisance to the neighborhood or detract from its value as a high-class residential district, including permitting the landscaping on any lot to become overgrown or permitting any structure on any lot to become unsightly. If an owner fails to maintain landscaping in an attractive manner or permits any structure on any lot to become unsightly, said owner shall be in violation of these restrictions.

4.29 Completion of Construction. All construction on any lot must be completed and the occupancy permit issued within 365 days from the date of the issuance of the building permit.

ARTICLE 5
COMMON AREAS AND COMMONLY MAINTAINED PROPERTY

5.1 Use of Common Areas. Use of the Common Areas is subject to the provisions of the Declaration, Bylaws, Articles, and the Rules and Regulations adopted by the Board. There shall be no obstruction of any part of the Common Areas except as by written order of the board. Nothing shall be stored or kept in the Common Areas without the prior written consent of the Board. No alterations or additions to the Common Areas shall be permitted without the prior written consent of the Board.

5.2 Maintenance of Common Areas. The Association shall be responsible for maintenance, repair, replacement, and upkeep of the Common Areas at the equal expense of the Occupants of all Lots. The Association shall keep the Common Areas in good condition and repair, provide for all necessary services, and cause all acts to be done that may be necessary
or proper to assure the maintenance of the Common Areas.

5.3 **Alterations to Common Areas.** Only the Association shall construct, reconstruct, or alter any improvement located on the Common Areas. A proposal for any construction of or alteration, maintenance, or repair to any such improvement may be made at any Board meeting. The Board may adopt a proposal, subject to the limitations contained in the Bylaws and this Declaration, or refuse to adopt a proposal.

5.4 **Funding.** Expenditures for alterations, replacement, or repairs to an existing improvement for which a reserve has been collected shall be made from the Reserve Account. As provided in Article 10.5, the Board may levy a special assessment to fund any construction, alteration, repair, of an improvement (or any other portions of the Common Areas) for which no reserve has been collected or for which the Reserve Account is insufficient to cover the cost of the proposed construction, alteration, replacement or repair.

5.5 **Condemnation of Common Areas.** If all or any portion of the Common Areas is taken for any public or quasi-public use under any statute, by right of eminent domain, or by purchase in lieu of eminent domain, the Board shall receive and expend the entire award in a manner that, in the Board’s discretion, is in the best interest of the Association and the Owners. The Association shall represent the interest of all Owners in any negotiations, suit, action, or settlement in connection with such matters.

5.6 **Damage or Destruction of Common Areas.** If all or any portion of the Common Areas are damaged or destroyed by an Owner or any of Owner’s guests, Occupants, tenants, licensees, agents, pets, or Members of Owner’s family in a manner that would subject such Owner to liability for such damage under Oregon law, such Owner hereby authorizes the Association to repair such damage. The Association shall repair the damage and restore the area in a workmanlike manner as originally constituted or as may be modified or altered subsequently by the Association in the discretion of the Board. Reasonable costs incurred in connection with effecting such repairs shall become a special assessment on the Lot and against the Owner who caused or is responsible for such damage.

5.7 **Power of Association to Sell, Dedicate, or Transfer Common Areas.** As provided in ORS 94.665, the Association may sell, dedicate, transfer, grant a security interest in, or grant an easement for installation and maintenance of utilities or for similar purposes with respect to any portion of the Common Areas. Except for grants of easements for utility-related purposes, no such sale, dedication, transfer, or grant of a security interest shall be effective unless approved by 80% of the votes of both Class A and Class B Members. Provided further, if there is only one class of votes, such sale, dedication, transfer, or grant of a security interest (other than a grant of an easement for utility-related purposes) must be approved by 80% of the votes held by Owners other than Declarant.

5.8 **Tracts A, B, C, D and E.** As per the plat of Forest Glen, Tracts A, B, C, D and E are created as Common Areas and are owned and must be maintained by the Forest Glen Homeowners Association.
5.8.1 **Tract A.** Tract A includes the private streets Forest Glen Drive, Courtney Laine Drive and Tera Drive; along with street lights, tree islands, and entryway fencing, gates, and landscaping.

5.8.1.1 Unlike standard city streets which are owned by the public and maintained by the City of McMinnville, the streets within the Forest Glen development are owned by the Forest Glen lot owners through the Homeowners Association, and are totally the responsibility of Forest Glen. All maintenance, including cleaning, sweeping, patching, repairing, and seal coating, is the responsibility of the Homeowners Association and shall be accomplished via the powers and responsibilities outlined in Article 5. Any reconstruction or replacement of the streets is also the responsibility of the Homeowners Association.

5.8.1.2 The street lighting system within Forest Glen, including poles, bases, lenses, wiring, receptacles, and bulbs, is owned and must be maintained by the Forest Glen Homeowners Association.

5.8.1.3 As noted in Article 5.8, and reiterated in section 4.7.6, all improvements located at the two entryways to Forest Glen including the gates, pillars, fencing, ground lighting, landscaping, and the monument sign at the Forest Glen Drive entry, are the responsibility of the Homeowners Association. Rules regarding the use of and the hours of operation of the gates (i.e. the times or occasions that the gates may be left open, if any) shall be set by the Board. Access through the gates during the hours that they are closed shall be limited to the owners and their guests or agents; non owners who live in Forest Glen and their guests or agents; agents of the Board, including contract maintenance personnel; public and private utilities who have improvements located in easements within Forest Glen; the United States Postal Service; and emergency vehicles and personnel. The gate system must maintain compliance with the minimum adopted standards of the City of McMinnville Fire Department.

5.8.2 **Tract B.** Tract B contains the Forest Glen water feature, which is a private facility established and maintained for the enjoyment of the Forest Glen home owners and their guests. The water feature and all its parts are owned and must be maintained by the Forest Glen Homeowners Association. Rules regarding the operation and use of the facility will be established by the Board.

5.8.3 **Tract C.** Tract C contains the Forest Glen Private Park which is owned by the Forest Glen Homeowners Association and is established and will be maintained for the enjoyment and use of the Forest Glen home owners and their guests. All improvements, including the park building, the Verdin Company Clock, the duel water fountain, picnic tables, park benches, and landscaping are considered a part of the Private Park and are the property of the Forest Glen Homeowners Association. Rules governing the usage of the Private Park shall be established by the Board.

5.8.4 **Tract D.** Tract D contains "Old Mac", a Yamhill County Historical Society Heritage Tree. The appellation "Old Mac" was bestowed upon the giant and ancient Douglas Fir at some time in history and has stuck. The tree, which is gnarly-looking with huge blisters, or boles on the trunk, is on the Heritage List not only because of its prodigious size and height, but also because its history which tells us that Native Americans knew the tree as the "Council Tree" and they would travel from miles around to gather next to the tree at least once a year for
"council", or "pow-wow." Another notable feature of the tree is a "widow maker" or split trunk about three quarters of the way up, most likely the result of a lightening strike.

The Declarant recognized "Old Mac" as being of the highest importance and as a hallmark of Forest Glen and felt, therefore, that it should be afforded the very highest level of protection. Care for "Old Mac" is the responsibility of the Homeowners Association and is subject to the following.

5.8.4.1 A top to bottom review and resultant limbing of "Old Mac" was completed by a certified professional arborist in 2007 as a part of the Forest Glen subdivision improvements. The comprehensive approach to maintaining the health and safety of the tree was probably the first of its kind in the history of the tree and should not have to be repeated for many years.

5.8.4.2 It shall be the responsibility of the Board to cause a certified professional arborist to review the health and safety of the tree at least once every 10 years. Any action taken as a result of the arborist's report shall be at the discretion of the Board.

5.8.4.3 "Old Mac" shall not be severely pruned or limbed when such action is proposed simply as a means to reduce the amount of debris the tree deposits on the roof or in the gutters of a structure or in the yard of a lot.

5.8.4.4 Claims by an individual property owner that "Old Mac" is unsafe and needs to be severely pruned, limbed, topped, or removed must be backed by the recommendation of a certified professional arborist. Upon such claim being filed, the Board shall hire a second certified professional arborist to study the tree. If the second arborists conclusions are substantially the same as those of the arborist which was employed by the individual property owner, the Board may, at its discretion, take the actions recommended by the arborists, take some lesser action, or do nothing. The Board may, at its desecration, take any additional action, including hire of a third arborist, if it deems necessary in coming to a satisfactory conclusion.

5.8.4.5 "Old Mac" shall not be topped or cut down under any circumstances unless such action is recommended by two independent certified professional arborists and unless such action cannot be mitigated by other means, such as cabling. It is a primary goal of Forest Glen to preserve "Old mac" over time for the enjoyment of future generations.

5.8.5 Tract E. Tract E contains the Forest Glen Canyon Park and its access ways. It was the intent of the Declarant that the Canyon Park remain in a natural state for the most part so as to best serve the local flora and fauna. The park includes an improved access way, ten feet in width, leading from Tract D down to and across the creek. The main body of the park includes that property which is owned by Forest Glen and is located east of the centerline of Cozine Creek. Improvements to the park, which is owned by and must be maintained by the Forest Glen Homeowners Association, includes the access way from Tract D to the main body of the park, the culvert system at the creek crossing, pathways and picnic areas. In addition, the following apply to the Canyon Park.

5.8.5.1 Park rules and hours shall be set by the Forest Glen Board. The park may be closed by the Board during the winter months and at other high water times.
5.8.5.2 Fencing along the north, east, and south perimeters of the park may be constructed at some future date providing that financing is available and the Board determines that it is the desire of the majority of lot owners within Forest Glen.

ARTICLE 6
ARCHITECTURAL REVIEW COMMITTEE

6.1 Architectural Review. Upon first viewing the property which was to become Forest Glen, it became the Declarant’s belief that the site offered the opportunity for the construction of one of McMinnville’s most exclusive communities. It was felt that the site demanded the construction of only the highest quality homes. With this in mind, the improvements in the Common Areas were designed and constructed to reflect these goals.

Because of this, all house plans submitted for architectural review will be judged on their ability to not only reflect those goals but to exemplify and protect them. A house plan may be rejected if it is believed by the ARC that it does not present a proper street appeal, that it might be injurious to the value of the other homes in the subdivision, or simply if it is not a custom type plan which reflects an architectural creativity.

No Improvements shall be commenced, erected, placed, or altered on any lot until the construction and site plans and specifications showing the nature, shape, height, materials, layout, elevations, colors and proposed location of the improvements as well as the location of all existing trees 1-foot dbh (diameter at breast height) or greater have been submitted to and approved in writing by the Architectural Review Committee (ARC). This Article’s purpose is to assure quality of workmanship and materials and harmony between exterior design and the existing improvements and landscape and as to location with respect to topography and finished grade elevations and the location of existing trees. The ARC shall not be responsible for determining compliance with structural and building codes, solar ordinances, zoning codes, or other governmental regulations, all of which are the applicant’s responsibility. The procedure and specific requirements for review and approval of construction shall be set forth in design guidelines and standards adopted from time to time by the ARC. The provisions of this Article shall apply in all instances in which this Declaration requires the ARC’s consent.

6.2 Architectural Review Committee, Appointment and Removal. Declarant reserves the right to appoint all Members of the ARC and all replacements thereto until Forest Glen is 100 percent built out. The ARC shall consist of no fewer than three Members and no more than five Members. Each ARC member shall serve for one year. After build out, Declarant shall assign to the Board the right to appoint and remove Members of the ARC. Board Members and persons who are not Owners but who have special expertise regarding the matters that come before the ARC may serve as all or some of the ARC’s Members. In the Board’s sole discretion, non-Owner Members of the ARC may be paid. The Board may appoint itself as the ARC or any of its Members to the ARC. If an ARC has not been appointed, the Board shall serve as the ARC.

6.3 Majority Action. Except as otherwise provided in this Declaration, a majority of the Members of the ARC shall have the power to act on behalf of the ARC, without the necessity of a meeting and without the necessity of consulting the remaining member or Members of the ARC. The ARC may render its decision only by written instrument setting forth the action taken by the Members consenting thereto.
6.4 **Duties.** The ARC shall consider and act on the proposals and/or plans submitted pursuant to this Article. The ARC, from time to time and at its sole discretion, may adopt architectural rules, regulations, and guidelines ("Architectural Standards"). The Architectural Standards shall interpret and implement the provisions of this Declaration for architectural review and guidelines for architectural design, placement of buildings, color schemes, exterior finishes and materials, treatment of existing trees and proposed landscaping, and similar features that may be used in Forest Glen; provided, however, that the Architectural Standards shall not be in derogation of the minimum standards established by this Declaration.

6.5 **ARC Decision.** The ARC shall render its written decision approving or denying each construction application submitted to it within 15 working days after its receipt of all materials required with respect to such application. If the ARC fails to render such written decision within 30 days of its receipt of all required materials or request an extension, the application shall be deemed approved. The ARC shall be entitled to request one or more extensions of time, not to exceed 45 days. In the event of such extension requests, if the ARC does not render a written decision within 15 days after the expiration of the extension(s), the application shall be deemed approved. Provided, however, the applicant may agree to further extensions to allow the applicant to complete or supplement the application.

6.6 **ARC Discretion.** The ARC, at its sole discretion, may withhold consent to any proposed work if the ARC finds the proposed work would be inappropriate for the particular Lot or incompatible with the design standards that the Declarant and the ARC intends for Forest Glen. The ARC may consider architectural creativity, street appeal, value, siting, shape, size, color, design, height, solar access, landscaping, existing trees, or other effect on the enjoyment of other Lots or the Common Areas, and any other factors that it reasonably believes to be relevant in determining whether or not to consent to any proposed work.

6.7 **Nonwaiver.** Consent by the ARC 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 **Appeal.** After Declarant has assigned the right to appoint ARC Members to the Board pursuant to Article 6.2, any Owner adversely impacted by ARC action may appeal such action to the Board. Such appealing Owner shall submit to the Board a written notice of appeal, setting forth specific objections or mitigating circumstances justifying the appeal, within 10 days after the ARC's action. The Board shall issue a final, conclusive decision within 45 days after receipt of such notice, and such decision shall be final and binding on the appealing Owner and the ARC. Provided, however, the Board shall make reasonable efforts to reach a decision within 20 days. If the Board is serving as the ARC, then such appeal shall be deemed a request for reconsideration.

6.9 **Effective Period of Consent.** The ARC's consent to any proposed work shall automatically expire three months after issuance unless construction of the project has been commenced or the Owner has applied for and received an extension of time from the ARC.

6.10 **Determination of Compliance.** The ARC may inspect, from time to time, all work performed and determine whether it is in substantial compliance with the approval granted. If the ARC finds that the work was not performed in substantial conformance with the approval granted,
or if the ARC finds that the approval required was not obtained, the ARC 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.

6.11 Noncompliance. If the ARC determines that an Owner has not constructed an improvement consistent with the specifications of an ARC approval or has constructed an improvement without obtaining ARC approval, sends a notice of noncompliance to such Owner, and such Owner fails to commence diligently remediating such noncompliance in accordance with such notice, then, effective at 5:00 p.m. on the third day after issuance of such notice, the ARC shall provide notice of a hearing to consider the Owner's continuing noncompliance. The hearing shall be set not more than 30 days from the date on which the notice of noncompliance was issued. At the hearing, if the ARC finds that there is no valid reason for the continuing noncompliance, the ARC shall determine the estimated costs of achieving compliance and may issue a fine against the noncomplying Owner for such amount. The ARC also shall require the Owner to remedy such noncompliance within 10 days after the date of the ARC's determination. If the Owner does not comply with the ARC's ruling within such period or any extension thereof granted by the ARC, at its sole discretion, the ARC may remove the noncomplying improvement, remedy the noncompliance, and/or record a notice of noncompliance in the county deed records. The costs of any such action shall be assessed against the Owner as a Reimbursement Assessment either before or after any remedial action is taken.

6.12 Liability. Neither the ARC 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 ARC or a member thereof, provided only that the ARC or the member has, in accordance with its or his or her actual knowledge, acted in good faith.

6.13 Estoppel Certificate. Within 15 working days after the ARC's receipt of a written request from an Owner and the ARC's receipt of payment of a reasonable fee fixed by the ARC to cover costs, the ARC shall provide such Owner with a certificate executed by the Chairperson or other authorized member of the ARC certifying with respect to any Lot owned by the Owner, that, as of the date thereof either (a) all Improvements made or done upon such Lot 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 and such Owner's heirs, devisees, 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 among Declarant, the ARC, the Association, all Owners, and all persons deriving any interest through any of them.

6.14 Fees. The ARC may charge applicants a reasonable application fee and additional costs incurred or expected to be incurred by the ARC to retain architects, attorneys, engineers, and other consultants to advise the ARC concerning any aspect of the applications and/or compliance with any appropriate architectural criteria or standards, including, without limitation, those pertinent to house siting and height. Such fees shall be collectible as assessments pursuant to Article 10.

6.15 Declarant and Successor Exempt from ARC. The Declarant or a successor to all of the unsold Lots shall be exempt from the requirement to submit and have plans approved by the ARC. However, the Declarant and its successor shall not be exempt from the provisions.
of Article 4 of the Declaration.

ARTICLE 7
MEMBERSHIP IN THE ASSOCIATION

7.1 Members. Each Owner shall be a 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 shall automatically transfer membership in the Association. Without any other act or acknowledgment, 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 such Owner's vote in person, by written ballot, or pursuant to a proxy executed by such Owner. An Owner may not revoke a proxy given pursuant to this Article 7.2 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 undated or purports to be revocable without notice. A proxy shall terminate one year after its date, unless the proxy specifies a shorter term.

7.3 Voting Rights. The Association shall have two classes of voting Members:

7.3.1 Class A. Class A Members shall be all Owners of Lots other than Declarant, and each Class A member shall be entitled to one vote for each Lot owned with respect to all matters on which Owners are entitled to vote.

7.3.2 Class B. The Class B member shall be Declarant, its successors, and its assigns. The Class B member shall have three votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the earlier of the following dates (the "Termination Date"):  

(a) The date on which 100% of the total number of Lots in Forest Glen have been sold and conveyed to Owners other than Declarant.

(b) The date on which Declarant elects in writing to terminate Class B membership. After the Termination Date, each Owner, including Declarant, shall be entitled to one vote for each Lot owned with respect to all matters on which Owners are entitled to vote, and the total number of votes shall be equal to the total number of Lots subject to this Declaration, initially or through annexation.

When more than one person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but in no event shall fractional voting be allowed. Fractional or split votes shall be disregarded, except for purposes of determining a quorum.

7.4 Procedure. All meetings of the Association, the Board, the ARC, and Association committees shall be conducted with such rules of order as may from time to time be adopted by the Board. Notwithstanding which rule of order is adopted, the President 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. Declarant hereby reserves administrative control of the Association. Declarant, in its sole discretion, shall have the right to appoint and remove Members of an Interim Board (the "Interim Board"), which shall manage the affairs of the Association and be invested with all powers and rights of the Board until the Turnover Meeting (as hereinafter defined). The Interim Board shall consist of from one to three Members. Notwithstanding the provision of this Article 8.1, at the Turnover Meeting, at least one Director shall be elected by Owners other than Declarant, even if Declarant otherwise has voting power to elect all three Directors.

8.2 Turnover Meeting. Declarant shall call a meeting for the purposes of turning over administrative control of the Association from Declarant to the Class A Members within 60 days of the earlier of the following dates:

8.2.1 Earliest Date. The date on which Lots representing 100% of the total number of votes of all Lots in Forest Glen have been sold and conveyed to persons other than Declarant;

8.2.2 Optional Turnover. The date on which Declarant has elected in writing to terminate Class B membership.

Declarant shall give notice of the Turnover Meeting to each Owner as provided in the Bylaws. If Declarant does not call the Turnover Meeting required under this Article the transitional advisory committee or 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 Forest Glen. 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 Common Areas and each Lot on the Property, 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 that Declarant owns. 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. Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the Property, including, without limitation, on the Common Areas.

9.3 Declarant Easements. Declarant reserves easements over the Property as more fully described in Article 3.4 hereof.

9.4 Additional Improvements. Declarant does not agree to build any Improvements
not described in this Declaration.

ARTICLE 10
Funds and Assessments

10.1 Purpose of Assessments; Expenses. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, aesthetics, and welfare of the Owners and Occupants of Forest Glen; for the improvement, operation, and maintenance of the Common Areas and the Commonly Maintained Property; for the administration and operation of the Association; and for Property and liability insurance. All such expenses set forth herein shall be deemed “known expenses.”

10.2 Covenants to Pay. Declarant and each Owner covenant and agree to pay the Association the assessments and any additional charges levied pursuant to this Declaration and the Bylaws. All assessments for operating expenses, repairs and replacement, and reserves shall be allocated among the Lots and their Owners as set forth in Article 10.4.2.

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 as set forth in Article 10.1. On the sale or transfer of any Lot, the Owner’s interest in such funds shall be deemed automatically transferred to the successor in interest to 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.

10.2.3 Right to Profits. Association profits, if any, shall be the Property of the Association and shall be contributed to the Current Operating Account.

10.3 Basis of Assessment; Commencement of Assessments. Declarant shall pay all common expenses of the Association until the Lots are assessed for common expenses. The amount and date of commencement of the initial annual assessment to Owners other than Declarant shall be determined by Declarant; said date most likely to be the date that the first sale of a lot closes. Because the Declarant built and paid for all common improvements, and continues to build and pay for common improvements after the date of the commencement of the initial annual assessment, it would not be appropriate to assess the Declarant for payment of reserves. Therefore the Declarant shall not be required to pay into the reserve account for a period of three years after the date of the first lot sold, until the date that all lots are sold, or until the date of the Turnover Meeting, which ever occurs first.

The Declarant shall pay into the current operating account its allocated share as per the requirement of Article 10.4.2 beginning at the date of commencement of the initial annual assessment to owners. The Declarant may make payments directly to vendors, contractors and other hirelings of the Association, and have said payment credited against its allocated share.

10.4 Annual Assessments. Annual assessments for each fiscal year shall be established when the Board approves the budget for that fiscal year. The initial annual assessment shall be determined by Declarant and shall be prorated on a monthly basis at the
time of the closing of the first sale from Declarant. For proration purposes, any portion of a month shall count as a full month. Annual assessments shall be payable on a periodic bases, not more frequently than monthly, as determined by the Board. The fiscal year shall be the calendar year unless another year is adopted by vote of the Association Members.

10.4.1 Budgeting. 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 Common Areas and 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 such Improvements as provided in Article 10.6.2; 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 Common Areas and the Commonly Maintained Property. Notwithstanding that, budgeting shall be done on an accrual basis, the Association’s books shall be kept on a cash basis and the Association shall be a cash basis taxpayer, unless applicable governmental regulations require otherwise. 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 and distribute a copy or summary thereof to each Member, together with written notice of the amount of the annual assessments to be levied against the Owner’s Lot, within 30 days after adoption of such budget.

10.4.2 Allocation of Assessments. The total amount in the budget shall be charged against all Lots as annual assessments as follows:

<table>
<thead>
<tr>
<th>Lot</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-44</td>
<td>2.28% per Lot</td>
</tr>
</tbody>
</table>

The annual assessment percentage charged to each Lot will be adjusted should additional Lots be annexed.

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.

10.5 Special Assessments. The Board and/or the Owners 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 this Declaration, the Bylaws, or the Rules and Regulations, by vote of a majority of the Board;
10.5.3 Repairs. To collect additional amounts necessary to make repairs or renovations to the Common Areas or 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 Capital Improvements. To make capital acquisitions, additions or Improvements, by vote of at least 80% of all votes allocated to the Lots.

10.5.5 Reimbursement Assessments. The Association shall levy a reimbursement assessment against any Owner and such Owner’s Lot if a failure to comply with this Declaration, Bylaws, Architectural Standards, or any Rules and Regulations has (a) necessitated an expenditure of monies by the Association to effect compliance or (b) resulted in the imposition of a fine or penalty against such Owner or such Owner’s Lot (a "Reimbursement Assessment"). A Reimbursement Assessment shall be due and payable to the Association when levied. A Reimbursement Assessment shall not be levied by the Association except on at least 10 days’ written notice to the Owner being assessed. If, within said 10-day period, the Owner makes a written request to the Board for a hearing, a hearing shall be held. On request for a hearing, the Board shall conduct it not less than 10 nor more than 30 days after the request by the Owner, and shall make its decision within not more than 30 days after the hearing is held. If a notice has been previously given, and the hearing has already been held or waived (in writing or by the Owner’s failure to appear) for the violation resulting in the Reimbursement Assessment, no additional notice and hearing is required before levying the Reimbursement Assessment.

10.6 Accounts.

10.6.1 Types of Accounts. Assessments collected by the Association shall be deposited into at least two 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 Directors or one Director and an officer of the Association who is not a Director. In its books and records, the Association shall account separately for operating expenses relating to the Common Areas/Commonly Maintained Property and operating expenses relating to all other matters, as well as for necessary reserves relating to the Common Areas/Commonly Maintained Property and necessary reserves relating to all other matters.

10.6.2 Reserve Account. Declarant shall establish a Reserve Account, in the name of the Association, which shall be kept separate from all other funds held by the Association. The Association shall pay out of the Reserve Account only those costs that are attributable to the maintenance, repair, or replacement of Common Areas Property and Commonly Maintained Property that normally requires replacement, in whole or in part, within three to 30 years and not for regular or periodic maintenance and expenses. No funds collected for the Reserve Account may be used for ordinary current maintenance and operation purposes.
10.6.2.1 Calculation of Reserve Assessment; Reserve Study. The Board of Directors of the Association shall annually conduct a reserve study, or review and update an existing study, of the Common Areas and Commonly Maintained Property to determine the reserve account requirements. A reserve account shall be established for those items of the Common Areas and Commonly Maintained Property all or part of which will normally require replacement in more than three and less than 30 years, for exterior painting, and for the maintenance, repair, or replacement of other items as may be required under the Declaration or Bylaws or that the Board of Directors, in its discretion, may deem appropriate. The reserve account need not include items that could reasonably be funded from operating assessments. The reserve study shall include:

(a) identification of all items for which reserves are required to be established;

(b) the estimated remaining useful life of each item as of the date of the reserve study;

(c) the estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and

(d) a 30-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule.

The reserve account assessment shall be allocated pursuant to Article 10.4.2.

10.6.2.2 Loan from Reserve Account. After the Turnover Meeting described in Article 8.2, the Board may borrow funds from the Reserve Account to meet high seasonal demands on the Association’s regular operating fund or to meet unexpected increases in expenses. Funds borrowed must be repaid later from assessments if the Board has adopted a resolution, which may be an annual continuing resolution, authorizing the borrowing of funds. Not later than the adoption of the budget for the following year, the Board shall adopt by resolution a written payment plan providing for repayment within a reasonable period.

10.6.2.3 Increase or Reduction, or Elimination of Reserve Account Assessment. At any time after the second year after the Turnover Meeting, future assessment for the Reserve Account may be increased or reduced by the vote of Owners of Lots representing 75% of the votes computed in accordance with Article 7.3.

10.6.2.4 Investment of Reserve Account. Nothing in this Article 10.6 prohibits the prudent investment of Reserve Account funds, subject to any constraints imposed by the Board, the Bylaws, or the Rules and Regulations.

10.6.2.5 Refunds of Assessments. Assessments paid into the Reserve Account are the Property of the Association and are not refundable to sellers or Owners of Lots. Sellers or Owners of Lots may treat their outstanding share of the Reserve Account’s balance as a separate item in the sales contract providing for the conveyance of their Lot.
10.6.3 Current Operating Account. All costs other than those to be paid from the Reserve Account pursuant to Article 10.6.2 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 obligation of all Owners of the Lot to which such assessment pertains. In a voluntary conveyance (i.e., one other than through foreclosure or a deed in lieu of foreclosure), the grantees shall be jointly and severally liable with the grantors 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. The Association shall have a lien against each Lot for any assessment (of any type provided for by this Declaration or the Bylaws) or installment thereof that is delinquent. Such lien shall accumulate all future assessments or installments, interest, late fees, penalties, fines, attorney fees (whether or not suit or action is instituted), actual administrative costs, and other appropriate costs properly chargeable to an Owner by the Association, until such amounts are fully paid. Recording of the Declaration constitutes record notice and perfection of the lien. Said lien may be foreclosed at any time pursuant to the Planned Community Act. The Association shall record a notice of a claim of lien for assessments and other charges in the deed records of Yamhill County, Oregon, before any suit to foreclose may be filed. The lien of the Association shall be superior to all other liens and encouragements except Property taxes and assessments, any first mortgage, deed of trust or land sale contract recorded before the Association’s notice of lien, and any mortgage or deed of trust granted to an institutional lender that is recorded before 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, Architectural Standards, and the Rules and Regulations adopted by the Board or the ARC. The adoption of such impositions shall be communicated to all Owners in writing not less than 30 days before the effective date by a notice mailed to the assessment billing address of such Owners. Such impositions shall be considered assessments that are lienable and collectible in the same manner as any other assessments; provided, however, that 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 such Owner’s Lot until such Owner is given an opportunity for a hearing as elsewhere provided herein.

10.7.4 Acceleration of Assessments. If an Owner is delinquent in payment of any assessment or installment on any assessment, the Association, on not less than 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 such Owner’s Lot or shall be entitled to the appointment
of a receiver.

ARTICLE 11
GENERAL PROVISIONS

11.1 Records. The Board shall preserve and maintain minutes of the meetings of the Association, the Board and any committees. The Board also shall 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 on the account, and the balance due on the assessments. The minutes of the Association, the Board and Board committees, and the Association’s financial records shall be maintained in the State of Oregon and 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 such person is or was a Director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action, or proceeding if such person acted in good faith and in a manner that such person 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 that such person’s conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or with a plea of no contest or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner that such person 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 that such person’s 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 benefitted from the acts that created said liability.

11.3 Enforcement; Attorney Fees. The Association and the Owners and any mortgagee holding an interest on a 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 (including without limitations, for the collection of
assessments), the prevailing party shall be entitled to its actual administrative costs incurred because of a matter or event that is the subject of the suit or action, 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 and costs incurred in any enforcement activity or to collect delinquent assessments, together with the Association's actual administrative costs, 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 35 years from the date of this Declaration being recorded, after which time they shall be automatically extended for successive periods of 10 years, unless rescinded by a vote of at least 90% of the Owners and 90% of the first mortgagees; provided, however, that amendments that do not constitute rescission of the planned community may be adopted as provided in Article 11.6.

11.6 Amendment. Except as otherwise provided in Article 11.5 or ORS 94.590, and the restrictions set forth elsewhere herein, this Declaration may be amended at any time by an instrument approved by not less than 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 Nonprofit Corporation Act and that no amendment affecting the general plan of development or any other right of Declarant herein contained may be effected without the express written consent of Declarant or its successors and assigns, including, without limitation, amendment of this Article 11.6.

11.7 Release of Right of Control. 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 Declarant provided in this Declaration, 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. Before 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 Forest Glen, 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, Declarant has executed this instrument this day of __________, 2007.

Forest Glen Partners, LLC.
An Oregon Limited Liability Company

By: [Signature]
Raymond J Kulback, Manager

STATE OF OREGON  )
) SS.
County of Yamhill  )

This instrument was acknowledged before me on __________, 2007, by Raymond J Kulback as Manager of Forest Glen Partners, LLC., and he acknowledged to me that he executed the same freely and voluntarily.

[Signature]
Notary Public for Oregon
My commission expires: May 14, 2009
AMENDMENTS TO THE DECLARATION OF RESTRICTIONS, CONDITIONS AND COVENANTS APPLICABLE TO FOREST GLEN SUBDIVISION

These 2010 amendments to the Declaration of Restrictions, Conditions and Covenants Applicable to Forest Glen Subdivision, located within the City of McMinnville, in Yamhill County, Oregon were approved on the 6th day of October, 2010 by the Forest Glen Homeowner's Association, an Oregon nonprofit corporation (the "Association").

RECITALS

A. Forest Glen is a community of Owners established by the following documents recorded in the Records of Yamhill County, Oregon:

   Plat of Forest Glen recorded July 24, 2007 as Instrument No. 200716617 in the Plat Record of Yamhill County Oregon (the "Plat").

   Declaration of Covenants, Conditions and Restrictions For Forest Glen recorded on August 16, 2007 as Instrument No. 200718398 in the Deed and Mortgage Records of Yamhill County, Oregon (the "Declaration").

   Bylaws of Forest Glen Homeowners' Association, Inc. recorded August 16, 2007 as Instrument No. 200718397 in the Deed and Mortgage Records of Yamhill County, Oregon (the "Bylaws").

B. Forest Glen is a Class 1 Planned Community and subject to the provisions of the Oregon Planned Community Act (ORS 94.550 to 94.783) as provided in ORS 94.572.

C. The Association and Owners have duly voted to amend the Declaration as described below.

   NOW, THEREFORE, pursuant to ORS 94.590, with the approval of at least 75% of the Owners, the Association hereby amends the Declaration in its entirety to read as set forth below.
ARTICLE 1
DEFINITIONS

1.1 Architectural Review Committee or "ARC" shall refer to that committee constituted and acting pursuant to Article 6 of this Declaration.

1.2 Articles shall mean the Articles of Incorporation for the nonprofit corporation, Forest Glen Homeowners' Association, Inc. as filed with the Oregon Secretary of State.

1.3 Association shall mean and refer to Forest Glen Homeowners' Association, Inc., its successors and assigns.

1.4 Board shall mean the Board of Directors of the Association.

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

1.6 City shall mean and refer to the City of McMinnville, Oregon in which the Property is located.

1.7 Common Areas shall mean Tracts A, B, C, D and E, which are established for the common benefit of Forest Glen and which are owned by the Association for the use and/or benefit of the Owners.

1.8 Commonly Maintained Property shall mean the Common Areas, and also shall mean any area within public rights-of-way, or other Property that the Association is required to maintain for the common benefit of the Members, including without limitation those areas described in Article 5.8.

1.9 Declaration shall mean the covenants, conditions, restrictions, and all other provisions set forth in this Declaration.

1.10 Declarant shall mean and refer to Forest Glen Partners, LLC., an Oregon corporation, and its successors or assigns, or any successor or assign to all or the remainder of its interest in the Property.

1.11 Home shall mean and refer to any portion of a structure situated on a Lot and designed and intended for use and occupancy as a residence by a single family or household.

1.12 Improvements shall mean and refer to any man-made changes under natural conditions of the land including, but not limited to, structures and construction of any kind whether above or below the land surface, such as any building, fence, walls,
gates, pillars, free standing clock, signs, additions, alterations, sewer drain, road, pavement, utilities, grading, landscaping and exterior illumination.

1.13 Lot shall mean and refer to each and any of Lots 1-44; provided, however, that Lot shall not include any Tracts.

1.14 Members shall mean and refer to the Owners of Lots in Forest Glen.

1.15 Occupant shall mean and refer to the Occupant of a Home, whether such person is an Owner, a lessee, or any other person authorized by the Owner to occupy the Home.

1.16 Owner shall mean and refer to the record Occupant, whether one or more persons or entities, of the fee simple title to any Lot or a purchaser in possession of a Lot 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.

1.17 Forest Glen shall mean Lots 1-44 of the Property and as designated on the Plat of Forest Glen.

1.18 Plat shall mean and refer to the Plat of Forest Glen recorded in the Plat Records of Yamhill County, Oregon, as Instrument 2007J6617, on July 24, 2007.

1.19 Property shall have the meaning attributed to such term in the Recitals of this Declaration and to any annexation of additional Property including Tracts, Common Areas and all Improvements located on the real Property, as may be brought within the jurisdiction of the Association and be made subject to this Declaration.

1.20 Rules and Regulations shall mean and refer to the documents containing Rules and Regulations and policies adopted by the Board or the Architectural Review Committee, as may be from time to time amended.

1.21 Setback shall mean the minimum distance between the Home or other structure referred to and a given Property line, unless otherwise indicated.

1.22 Tract shall mean a parcel of land, shown on the Plat and denoted by the word "Tract".

**ARTICLE 2**

**PROPERTY SUBJECT TO THIS DECLARATION**

2.1 Development. The development of Forest Glen shall consist of the Property, which shall be held, transferred, sold, conveyed, and occupied subject to this Declaration.

3/35
2.2 Right to Subject Additional Property to this Declaration. Declarant reserves the right to subject additional Property to this Declaration. Declarant shall have no obligation of any kind to annex additional land to the Property.

2.2.1. Declaration of Annexation. Annexation shall be evidenced by a written Declaration of Annexation executed by the Declarant (or in the case of annexation by actions of Members) by the Board and the Occupants of the Property being annexed, setting forth the legal description of the Property being annexed and any additional covenants, conditions or restrictions to be applied to such annexed Property. Notwithstanding any provision apparently to the contrary, a Declaration with respect to any annexed Property may:

2.2.1.1 Establish such new land classifications and types of lots and such limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant may deem to be appropriate for the development of the annexed Property;

2.2.1.2 With respect to existing land classifications, establish additional or different limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant may deem to be appropriate for the development of such annexed Property; and or

2.2.1.3 Contain provisions necessary or appropriate to comply with any condition, requirement or imposition of any governmental or regulatory authority.

Without limitation of the meaning of the foregoing provisions of this Article, in any Declaration of Annexation, the Declarant, may, but shall not be obligated to, establish different types of Lots and have particular rights and obligations pertain to different types of Lots, establish easements particular to different Lots, establish assessments that pertain only to certain types of Lots, establish maintenance obligations of the Association or of Occupants that vary in accordance with different types of Lots, establish insurance and casualty provisions that relate to certain types of Lots and not others and establish limited Common Areas that benefit particular Lots to the exclusion of other Lots and provisions particular to such limited Common Areas.

2.2.2 Voting Rights; Allocation of Assessments. Upon annexation, additional Lots so annexed shall be entitled to voting rights and shall be responsible for payment of assessments as required for that fiscal year. At the beginning of the next fiscal year, assessments for the general Common Areas shall be apportioned equally based upon the total number of Lots following such annexation, but assessments that are relative to a specific product type will be spread equally over only the units of that type.

2.2.3 No duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any member to annex any Property into
the Association and no Occupant of Property excluded from the Association shall have any right to have such Property annexed thereto.

2.2.4. Status of Annexed Property. The Property Included by any such Declaration shall thereby become a part of these covenants, and Declarant shall accept and exercise administration of these covenants with respect to such Property.

ARTICLE 3
OWNERSHIP AND EASEMENTS

3.1 Nonseverability. The interest of each Owner in the use and/or benefit of the Common Areas, shall be appurtenant to the Lot owned by the Owner. No Lot shall be conveyed by the Owner separately from the interest in the Common Areas. Any conveyance of any Lot shall automatically transfer the right to use the Common Areas, where such Common Areas are designated for use by the Owners, without the necessity of express reference in the instrument of conveyance. There shall be no judicial partition of the Common Areas. Each Owner, whether by deed, gift, devise, or operation of law, for such Owner's 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 Common Areas and agrees that no action for judicial partition shall be instituted, prosecuted, or reduced to judgment. Ownership interests in the Common Areas and Lots are subject to the easements granted and reserved in this Declaration. Each of the easements granted or reserved herein shall be deemed to be established upon the recording 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 Forest Glen.

3.2 Ownership of Lots. Title to each Lot in Forest Glen 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 Ownership of Common Areas. Title to any Common Areas shall be conveyed to the Association via the recording of the plat, or in any case, not later than the date of the Turnover Meeting.

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

3.4.1 Easements on Plat. The Common Areas and Lots are subject to the easements and rights-of-way shown on the Plat.

3.4.2 Easements for Common Areas. Every Owner shall have a nonexclusive right and easement of use and enjoyment in and to the Common Areas,
which shall be appurtenant to and shall pass with the title to every Lot. Such easement is subject to ORS 94.665, as may be amended from time to time.

3.4.3 Easements Reserved by Declarant. As long as Declarant owns any Lot, Declarant reserves an easement over, under, and across the Common Areas 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 to, from, over, in, upon, under, and across the Common Areas and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the Improvements on the Property in such a way as not to interfere unreasonably with the occupancy, use, enjoyment, or access to an Owner's Lot by such Owner or such Owner's family, tenants, employees, guests, or invitees.

3.4.4 Additional Utility and Drainage Easements. Not withstanding 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 Forest Glen. No structure, planting, or other material that may damage or interfere with the installation or maintenance of utilities, that may change the direction of flow of drainage channels in the easements, or that may obstruct or retard the flow of water through drainage channels in the easement areas shall be placed or permitted to remain within any easement area.

3.4.5 Association's Easements. Declarant grants to the Association and its duly authorized agents and representatives such easements over the Lots and Common Areas as are necessary to perform the duties and obligations of the Association, as set forth in this Declaration, the Bylaws, the Articles, and the Plat, as the same may be amended.
ARTICLE 4
USE OF PROPERTY AND DESIGN STANDARDS

4.1 Residential Purpose. No Lot shall be used for any purpose other than residential purposes. To the extent permitted by the zoning and other governmental regulations, occupants of any home may give instruction in the arts and such similar activities.

4.2 Size, Height and Materials. The following regulations apply:

4.2.1 Building height is limited to 35 feet above curb grade.

4.2.1.1 Homes are limited to two stories in height except that buildings located on lots 1 through 19 may be constructed to three stories if a daylight basement is employed.

4.2.1.2 Homes constructed on lots 25 through 29 must be two stories in height.

4.2.2 Every home constructed in Forest Glen shall have a minimum of 2,500 sq. ft. of floor area, exclusive of garage area, except as follows:

4.2.2.1 Homes constructed on lots 26, 27,28, and 29 shall have a minimum of 2,200 square feet of floor area, exclusive of garage areas.

4.2.2.2 The homes constructed on lots 30, 34, 35, 40, 41, 42, 43 and 44 shall have a minimum of 2,400 square feet of floor area, exclusive of garage area.

4.2.2.3 Variances of square footage requirements may be obtained with written approval of the ARC if such reduction is based on irregular lot shape, unusual construction design or a need to preserve existing trees.

4.2.3 Every building, fence, wall or other structure placed on any part of any lot shall be constructed of new material unless the use of other than new material shall have been reviewed and shall have received the written approval of the ARC. No buildings constructed elsewhere shall be moved to or placed on said property except with the written approval of the ARC.

4.2.4 All roofing material shall be tile or CertainTeed Presidential two layer composition shingle equivalent or better with Ridglass hip, ridge and rake shingles. Cedar shake or cedar shingle may also be employed. Roofing material other than as designated in this section may be used only if approved in writing by the ARC.
4.2.5 All buildings shall have siding materials on all sides of every structure or improvement placed on the premises. All siding material shall be natural wood, brick, stone, concrete stucco, cematitious board, or other like material approved by the ARC. No T-111-303, or other vertical plywood-type siding shall be allowed on any home or any other structure on the property except that a cedar sheet type siding with bats or similar high-end type sheet siding may be employed if approved in writing by the ARC.

4.2.6 The street frontage side of all homes and garages shall include a minimum of 20 percent of solid surfaces in brick veneer, stone or other masonry treatment. Front and exterior side yard masonry walls may be counted toward meeting this requirement. Variances to the percentage requirement may be obtained with written approval of the ARC if it is found that such percentage is incongruous with the architectural style of the home and that the reduction would have no negative impact on the overall harmony of the Forest Glen development.

4.3 Garages, Outbuildings. Each home shall have a two or more car (minimum two car) garage, either attached or detached, which shall be consistent architecturally with the main building. No carport shall be allowed or constructed on any lot.

4.3.1 Garage location. In cases where a garage is constructed as part of the main building and where the garage door openings are on a parallel plane with the front of the home being constructed, the garage must be setback from the property frontage a minimum of three feet further than the main structure is set back.

4.3.1.1 Section 4.3.1. above, does not apply to attached garages where the garage door openings (and thus the garage) are designed at a minimum 30 degree angle from the main building.

4.3.1.2 Garages which are detached and separate from the main building may be constructed forward of the main building subject to review and approval of the ARC.

4.3.2 Outbuildings, location and materials. Any and all outbuildings constructed in Forest Glen must be architecturally compatible with the main building, using the same siding and roofing materials, matching roof pitch and colors. Outbuildings shall only be allowed behind the back building line of the main structure and a minimum of 15 feet from any side property line.

4.3.2.1 Prefabricated outbuildings are not allowed in Forest Glen.

4.4 Setback Requirements. Every home or other improvement as may be approved by the ARC shall comply with the following setback requirements. If a more strict setback requirement is provided in some other section of these CC&R's, the more strict requirement shall apply.
4.4.1 The minimum front yard setback requirement shall be five (5) feet (however, beware of front yard easements).

4.4.2 There shall be an 18-foot front yard setback for garages whose open side faces onto a private sidewalk. This setback shall be measured from back edge of sidewalk to the open side of the structure.

4.4.3 The rear yard setback shall be fifteen (15) feet.

4.4.4 There shall be a 10-foot side yard setback requirement.

4.4.5 The rear yard setback requirement shall be 20 feet for lots 19 through 29 (the South boundary of the Forest Glen development). (However, if the yard next to the South boundary is an interior side yard for lot 25 or 26, the setback then shall be seven and one half (7 1/2) feet).

4.4.6 Exceptions to setback requirements may be granted upon review and approval by the ARC subject to City of McMinnville requirements.

4.5 Temporary Occupancy. No building shall be in any manner occupied while in the course of original construction or until it complies with all CC&R's stated herein. The construction or remodeling of any building or structure shall be prosecuted with reasonable diligence continuously from the time of commencement until fully completed.

4.6 Temporary Structures; Recreational Vehicles. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently. No campers, motor homes, boats, boat trailers, travel trailers, utility trailers, tents, portable sports structures including basketball hoops, or non-operable vehicles shall be permitted to be left where they shall be visible from the street or from contiguous property within Forest Glen for a period in excess of seven (7) days. If any such structure, vehicle, or boat is permanently stored on the premises, it shall be stored either inside a garage or fully enclosed detached structure. No vehicle of the type described herein shall be kept on the street.

4.7 Fences; Location, height, materials, type. The following regulations apply.

4.7.1 No Fence shall be allowed to be constructed in front of the front building line of the main building or the side building line in the case of an exterior side yard, except as follows:

4.7.1.1 Fences which are an integral part of the landscape design may be permitted in the front or exterior side yard of a lot subject to approval of the ARC.
4.7.1.2 Masonry walls shall not be considered as fences when located in front of the front building line of the main building and may be constructed within five (5) feet of the front property line (However, beware of front yard easements).

4.7.2 Fences behind the front building line of the main building shall be constructed of wood, masonry or masonry columns with wood in between. All fence boards shall be stained cedar. All fences shall look the same when viewed from either side. The location, materials and design of any proposed fence shall be approved by the ARC prior to construction.

4.7.3 Chain link fences, slatted or not, are prohibited, except that a chain link fence may be employed on the northern, eastern and southern boundaries of Tract E by the Declarant or Home Owners Association. Dog runs that are screened and approved by the ARC may be chain link.

4.7.4 No fences shall be constructed within the 100-year flood plain (119 foot elevation). In addition, the placement or construction of fences within any known wetland area is prohibited.

4.7.5 The fence constructed on the Southern boundary of Forest Glen (the South property line of lots 19 through 29) by the Declarant becomes the private property of the individual property owner upon purchase of the lot. It is the responsibility of the property owner to maintain the fence by keeping it in proper repair, replacing portions as needed, and keeping it washed and stained, as needed.

4.7.6 All fencing associated with the entry gate systems located at the Western terminus of the main entryway street and on Terra Drive where it enters Forest Glen from the south is a common facility owned by the Homeowners Association and shall be maintained by the Association. This fencing includes that along or near the Western property lines of lots 1 and 29 and that along or near the eastern side property line of lot 26.

4.7.7 The fence constructed on the northeast lot line of the private park (Tract C) adjacent to lot 30 is a common facility and is owned and shall be maintained (both sides) by the Homeowners Association.

4.8 Reserved.

4.9 Landscaping Requirements. All yard areas on each lot, exclusive of buildings, driveways and sidewalks, shall be landscaped. All landscaping shall be installed in accordance with a landscaping plan approved by the ARC. Landscaping shall present a complete and finished look to the entire lot except as provided for in sections 4.9.1 and 4.9.2, below. The nature, kind of materials, and topography of the landscaping, and its maintenance, shall be consistent with the quality generally maintained in the neighborhood.
4.9.1 The rear lot areas of lots 1 through 19, inclusive, may be allowed to be maintained in a natural state, in part or in whole, as approved by the ARC.

4.9.2 Any known wetland area, notably in the rear lot areas of lots which have creek frontage, shall be left in a natural state unless a mitigation plan is submitted to and approved by the ARC. In addition any disturbance within the 100-year flood plain shall only be as permitted by the local, state, and federal regulations.

4.9.3 All unbuilt yard areas shall have their initial landscaping installed within six months from the date of building construction completion in accordance with the plans submitted to and approved by the ARC. Under unusual circumstances, the ARC may grant reasonable time extensions for completion of landscaping.

4.9.4 Landscaping shall be designed to incorporate existing trees on a lot. In no case shall an existing tree greater than 12-inches dbh (diameter at breast height) be removed for the purposes of facilitating a landscape plan unless submitted to and approved by the ARC.

4.9.5 A lot area not planted in lawn must be kept mowed where practical and shall be maintained in a neat and tidy condition.

4.9.6 The park strip area between the curb and sidewalk on lots 1 and 26 through 29 shall initially be landscaped and maintained by the Declarant. Maintenance responsibility for these park strips shall shift to the property owner after completion of a home on the affected lot. The irrigation system in the park strip shall be disconnected from the common area system and reconnected to the private system on the subject lot when such system is installed.

4.9.7 Landscaping and irrigation systems in the common areas (Tracts A, B, C, D, and E) and in the Fleishauer Lane right of way between the back of sidewalk and the Forest Glen fence located on the western property line of the development shall be installed (where called for in the development plan) by the Declarant. Maintenance of said landscaping and systems shall be paid for by proportional shares of Homeowners Association dues and Declarant contributions until the turnover meeting takes place, after which, all costs shall be borne by the Homeowners Association.

4.9.8 All landscaping on a lot shall be maintained and cared for in a manner that is consistent with the ARC's original approval of such landscaping. Weeds and diseased or dead lawn, trees, groundcover, or shrubs shall be removed and replaced. Lawns shall be neatly mowed and trees and shrubs shall be neatly trimmed. All landscaping shall be irrigated in a horticulturally proper manner, subject to water use restrictions or moratoria by government bodies or agencies.

4.10 Street Trees. Street trees shall be installed in accordance with the Street Tree Master Plan as approved by the ARC and are governed more specifically as follows.
4.10.1 Street trees shall be planted and maintained in the park strip between the sidewalk and curb on lots 1, 26 through 29, and lots 30 through 44 (except lots 34, 35, 41 and 42). The street trees on lots 1 and 26 through 29 shall be planted by the Declarant and maintained by the same until such time as the affected lot is purchased, a home is built, and landscaping is installed, at which time the property owner shall take responsibility for maintenance. The street trees on lots 30 through 44 (except lots 34, 35, 41 and 42) shall be planted and maintained by the homeowner. Tree planting on lots 30 through 44 (except lots 34, 35, 41 and 42) shall take place as a part of the lot landscaping, or if the lot falls under the provisions of section 4.9.5 above, at such time as front lawn planting is required.

4.10.2 Street trees shall be planted and maintained in the front and exterior side (lot 25) yards of lot 20 through 25 in a five foot area behind the back of the curb as shown on the street tree master plan. Said street trees shall be planted as a part of the lot landscaping, or if the lot falls under the provisions of section 4.9.5 above, at such time as front lawn planting is required.

4.10.3 All street trees must be a minimum of two-inch caliper at the time of planting.

4.10.4 It shall be the responsibility of the property owner to replace or relocate any street tree that is caused to be removed by driveway construction or any other improvement on the lot. The property owner shall replace any trees which may die due to neglect, vandalism, or loss during construction. All replaced trees shall conform to the species and characteristics of the original trees.

4.10.5 All street trees within Forest Glen shall be maintained and replaced when necessary at the expense of the front foot property owner. However, all street trees shall fall under the ownership of the Association.

4.11 Irrigation. All lots within Forest Glen shall have automatic landscape irrigation systems. Said systems shall at a minimum cover the front yard and exterior side yards from building face to curb. Irrigation systems must be approved by the ARC as part of the parcel landscape plan.

4.12 Existing Trees. It was the Declarant’s vision when designing the Forest Glen project that the homes and other improvements be designed and constructed in such a way as to fit into the existing environment with as little impact as practicable. It was recognized that the existing trees are a large part of what makes the development special and should therefore be preserved wherever possible. It was observed that all of the trees on the site could not be preserved; a certain number would have to be removed in order to develop reasonable building footprints and to properly serve certain sites with infrastructure. However, through the use of flexible setbacks and a requirement that building design take into account the preservation of existing trees as a main goal, the great majority of the existing tress can and will be maintained. Existing tree maintenance
and removal shall comply with the following requirements if a more strict requirement is provided in some other section of these CC&R’s, or in other documents governing this development, the more strict requirement shall apply.

4.12.1 No tree greater in size than 12-inches dbh shall be removed from any property at anytime, now or in the future, without first gaining the written approval of the ARC. The ARC may require justification for any removal in the form of professional arborists reports, structural building plans with an explanation of why the structure can not be designed around the tree, and any other documentation the ARC might require. Building plans for any lot may be denied based on the simple fact that the proposal requires the removal of a tree or trees.

4.13 Sidewalks. With the exception of the sidewalks along Fleishauer Lane, which are owned by the public, all sidewalks within Forest Glen are private and are owned by the Homeowners Association.

4.13.1 A five foot wide sidewalk shall be constructed by the property owner on lots 30 through 40 and lots 43 and 44 subject to the following requirements.

4.13.1.1 Sidewalks shall be constructed as part of the home construction package and must be completed prior to home occupancy.

4.13.1.2 All sidewalks shall be constructed to City of McMinnville standards at a minimum and shall have a consistent edging and finish.

4.13.1.3 Sidewalks shall generally be constructed five feet behind the street curb back (leaving five foot park strip.) However, this standard may be varied by the ARC when it is in the best interests of good design or it is done in order to miss or to give extra room to an existing tree or trees (Lots 33, 34 and 35, most notably).

4.13.2 The Declarant shall construct the sidewalks on lots 1, 2, 25 and 26 through 29. Said sidewalks are subject to the provisions of this section.

4.13.3 Maintenance, repair, and replacement of sidewalks is the responsibility of the front foot property owner, except as provided in section 4.13.4, below. The Board may order a property owner to repair or replace a sidewalk or a sidewalk section if they find that the sidewalk is unsafe, hazardous or unsightly.

4.13.4 In instances where sidewalk damage is caused by trees which are owned by the Association or by existing trees the Board or the ARC would not allow to be removed, a property owner may petition the Board requesting its participation in paying a share of the costs associated with the repair or replacement. The Board has the authority to choose to participate in zero percent to 100 percent of the costs as set by Board policy (which may change from time to time).
4.14 **Storm Drainage.** The storm drainage system within Forest Glen is totally private and is owned by the Homeowners Association. All maintenance of the system is the responsibility of the Forest Glen Homeowners Association.

4.15 **Home Construction Phase.** It is the policy of the Forest Glen Board that the development present a neat and well cared for image at all times. This policy is reflected in the following requirements and restrictions on the individual home construction phase of the development.

4.15.1 At no time shall any lumber, rock, or other material be deposited or stored on the street. All building materials must be confined to the site. Construction material stored on a site shall be kept in as neat and tidy fashion as practicable.

4.15.2 No vehicles associated with the construction on a site shall be allowed to remain on the street overnight.

4.15.3 All sites shall be policed at the end of each work day. Garbage shall be picked up and disposed of. Wood scraps and other leftover construction materials shall be deposited in neat piles.

4.15.4 All dirt, mud, and gravel shall be cleaned from the street daily. In no case shall a street be left less than clean of construction debris overnight. In order to minimize the amount of debris, graveled construction approaches must be among the first things done in preparing site for construction.

4.15.5 Failure to comply with the provisions of this section may result in a fine levied against the general contractor by the Homeowners Association Board. Each day such non-compliance continues shall constitute a new violation and fines may be levied accordingly. Fine amounts shall be set by the Board. The subject property owner shall be responsible for the payment of fines left unpaid by the general contractor.

4.16 **Private Easements.** Private easements to the benefit of the Forest Glen Homeowners Association exist over the top of and within five feet on all sides of commonly owned (owned by Forest Glen) facilities which are outside the boundaries of tracts “A” through “E”. In addition, private easements cover all property between tract “A” and the house side of all commonly owned sidewalks. Generally, private easements are established for the use of Forest Glen homeowners and their guests. However, in certain specific instances, private easements may be reserved by the Board for maintenance purposes only or for specific lots only. It is the responsibility of the Forest Glen Board to set use guidelines and limitations for all private easements.

4.16.1 Where private easements are located on private property behind the fence of an enclosed yard, reasonable notice will be given to the property owner prior to entry for inspection, maintenance, repair or replacement of a private facility.
4.16.2 Attempts will be made to restore any yards or landscaping disturbed by work within a private easement to its condition prior to such work commencing. However, the Homeowners Association and its contractors bear no liability if such restoration is not practicable or is not done to the satisfaction of the affected property owner.

4.16.3 The 26-foot wide access and utilities easement, which is shown on the plat and which encumbers lots 40, 41, 42, and 43, is for the benefit of all utilities which are now, or which shall be at some future date, located within the easement, and for access to lots 41 and 42. Lots 40 and 43 are prohibited from taking access from the easement. The benefited lots 41 and 42 are responsible for maintaining the existing paved surface and the light ballard located in the easement, and are required to maintain the shoulders to the edges of the easement as well. No gravel shoulder shall be installed along the driveway. The unpaved portion of the easement shall be landscaped with appropriate bushes, shrubs, ground cover, and flowers. A buried sprinkler system shall be provided on the sides of the driveway with sufficient numbers of sprinklers to adequately water the unpaved portions of the easement. The owners of lots 41 and 42 shall be responsible for the installation of the landscaping and irrigation system. The owners of lots 41 and 42 shall share equally in the maintenance of said easement except that the owner of any lot who damages the pavement during construction on the owners lot shall be solely responsible for repairing said damages.

4.16.4 The oak tree which is located on or near the property line between lots 7 and 8 some 59 feet back of the front property corner is of special interest because of its location and the potential conflicts that creates. Therefore, in addition to the other requirements of this Declaration the following requirements shall apply.

4.16.4.1 No fence shall be constructed within five feet of the tree without the owners of lots 7 and 8 first agreeing to the location and design. Should no satisfactory agreement be reached between the property owners, the proponent may bring the issue before the Board. After providing opportunity for both property owners to be heard, the Board shall render a decision on the fence, using the Articles of this Declaration as a guide. The Boards action shall be final.

4.16.4.2 The subject oak tree shall not be cut down, topped, severely limbed or pruned without Board approval. The proponent of said action must present to the Board the conclusions and recommendation of a certified professional arborist which support the proponents position and which are based on safety or health conditions. The neighboring property owner shall be notified of the pending Board action and shall be given the opportunity to respond. The Boards action shall be final.

4.17 Public Utility Easements (PUE's). PUE's exist over the top of all public utilities within Forest Glen. Many of the PUE's also contain one or more private utilities such as telephone and television. PUE's, which vary in width, are noted on the official Forest Glen plat map. Generally speaking, no structures may be constructed on top of a
PUE. Maintenance of the property within the PUE is the responsibility of the property owner.

4.18 Wildlife Protected. The wildlife which live within Forest Glen and which use Forest Glen as a corridor are protected by this regulation. No purposeful act, such as shooting, trapping, poisoning or other method, may be employed to rid a property of wildlife. However, fencing or other non harmful methods, may be employed to discourage wild life from damaging gardens or landscaping. The exception to this rule is that burrowing type rodents, such as moles, which damage lawns and other landscaping, may be aggressively removed from a property.

4.19 Backyard Burning. Outside burning of garbage, trash, yard debris or any other material is prohibited in Forest Glen. Such material must be removed from the site and disposed of. No unsightly piles of rubbish shall be permitted to remain on any property within Forest Glen. The barbecuing of food is not restricted by this regulation. However, any cooking facility which is not a standard, commercially sold barbeque, must be approved by the McMinnville Fire Department.

4.20 Post Office Boxes. All post office boxes and facilities within Forest Glen are owned by the Home Owners Association and are maintained by the Homeowners Association. Individual keys to boxes are the responsibility and property of the property owner. Access to the post office boxes is provided over Tract “A” or via private easement (see section 4.16).

4.21 Entry Gate Keys. The remote control “keys” to the entry gates to the subdivision are owned by the Homeowners Association. “Keys” will be distributed to individual property owners as per the rules established by the Board. A refundable deposit for each key distributed will be required, the amount of which to be set by the Board.

4.22 Seasonal Decorations. All outdoor displays of seasonal decorations (e.g. Christmas, Halloween) must be removed no later than 30 days after the celebrated day or occasion occurs.

4.23 Commercial Vehicles. Commercial vehicles may not be kept by owners or occupants, persons staying with owners or occupants, or for the benefit of owners or occupants, on streets abutting any of the property or on any lot (except a closed garage or other entirely closed parking facility) overnight. This applies to such vehicles owned or operated by an owner, or a resident of the property, or anyone on the property with the permission of or for the benefit of an owner or resident of a lot.

4.24 Telecommunication Devices. Radio or television antennae or other outside receptors, except small satellite dishes that do not exceed two feet in diameter and two feet in height, shall not be permitted. Any allowed satellite dishes that are installed shall be placed on the property in an inconspicuous area where it is out of sight as viewed from the street.
4.25 **Signage.** No sign shall be erected on any lot except not more than one “For Sale” or “For Rent” sign placed by the owner, the Declarant, or by a licensed real estate agent. This restriction shall not prohibit the temporary placement of “political” signs on any lot by the owner, or the placement of a professional sign by the Developer, or builder’s signs during construction.

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

4.27 **Swimming Pools.** Swimming pools constructed on lots shall be entirely the underground type. No above ground swimming pool may be installed or constructed on any lot. This section is not intended to regulate portable children’s wading pools.

4.28 **Nuisance.** No noxious or offensive activity shall be carried on upon the single family lots or any part thereof, nor shall anything be done or maintained which may be or become an annoyance or nuisance to the neighborhood or detract from its value as a high-class residential district, including permitting the landscaping on any lot to become overgrown or permitting any structure on any lot to become unsightly. If an owner fails to maintain landscaping in an attractive manner or permits any structure on any lot to become unsightly, said owner shall be in violation of these restrictions.

4.29 **Completion of Construction.** All construction on any lot must be completed and the occupancy permit issued within 365 days from the date of the issuance of the building permit.

4.30 **Improvements on Lot 12.** The existing improvements located on Lot 12 on the date of adoption of this First Amended Declaration are not subject to this First Amended Declaration with the exception of future renovation, remodel, repair or alteration of the exterior of such improvements. All new improvements on Lot 12 shall be subject to this First Amended Declaration.

**ARTICLE 5**
**COMMON AREAS AND COMMONLY MAINTAINED PROPERTY**

5.1 **Use of Common Areas.** Use of the Common Areas is subject to the provisions of the Declaration, Bylaws, Articles, and the Rules and Regulations adopted by the Board. There shall be no obstruction of any part of the Common Areas except as by written order of the board. Nothing shall be stored or kept in the Common Areas without the prior written consent of the Board. No alterations or additions to the Common Areas shall be permitted without the prior written consent of the Board.

5.2 **Maintenance of Common Areas.** The Association shall be responsible for maintenance, repair, replacement, and upkeep of the Common Areas at the equal expense of the Occupants of all Lots. The Association shall keep the Common Areas in
good condition and repair, provide for all necessary services, and cause all acts to be done that may be necessary or proper to assure the maintenance of the Common Areas.

5.3 Alterations to Common Areas. Only the Association shall construct, reconstruct, or alter any improvement located on the Common Areas. A proposal for any construction of or alteration, maintenance, or repair to any such improvement may be made at any Board meeting. The Board may adopt a proposal, subject to the limitations contained in the Bylaws and this Declaration, or refuse to adopt a proposal.

5.4 Funding. Expenditures for alterations, replacement, or repairs to an existing improvement for which a reserve has been collected shall be made from the Reserve Account. As provided in Article 10.5, the Board may levy a special assessment to fund any construction, alteration, repair, of an improvement (or any other portions of the Common Areas) for which no reserve has been collected or for which the Reserve Account is insufficient to cover the cost of the proposed construction, alteration, replacement or repair.

5.5 Condemnation of Common Areas. If all or any portion of the Common Areas is taken for any public or quasi-public use under any statute, by right of eminent domain, or by purchase in lieu of eminent domain, the Board shall receive and expend the entire award in a manner that, in the Board's discretion, is in the best interest of the Association and the Owners. The Association shall represent the interest of all Owners in any negotiations, suit, action, or settlement in connection with such matters.

5.6 Damage or Destruction of Common Areas. If all or any portion of the Common Areas are damaged or destroyed by an Owner or any of Owner's guests, Occupants, tenants, licensees, agents, pets, or Members of Owner's family in a manner that would subject such Owner to liability for such damage under Oregon law, such Owner hereby authorizes the Association to repair such damage. The Association shall repair the damage and restore the area in a workmanlike manner as originally constituted or as may be modified or altered subsequently by the Association in the discretion of the Board. Reasonable costs incurred in connection with effecting such repairs shall become a special assessment on the Lot and against the Owner who caused or is responsible for such damage.

5.7 Power of Association to Sell, Dedicate, or Transfer Common Areas. As provided in ORS 94.665, the Association may sell, dedicate, transfer, grant a security interest in, or grant an easement for installation and maintenance of utilities or for similar purposes with respect to any portion of the Common Areas. Except for grants of easements for utility-related purposes, no such sale, dedication, transfer, or grant of a security interest shall be effective unless approved by 80% of the votes of both Class A and Class B Members. Provided further, if there is only one class of votes, such sale, dedication, transfer, or grant of a security interest (other than a grant of an easement for utility-related purposes) must be approved by 80% of the votes held by Owners other than Declarant.
5.8 Tracts A, B, C, D and E. As per the plat of Forest Glen, Tracts A, B, C, D and E are created as Common Areas and are owned and must be maintained by the Forest Glen Homeowners Association.

5.8.1 Tract A. Tract A includes the private streets Forest Glen Drive, Courtney Laine Drive and Tera Drive; along with street lights, tree islands, and entryway fencing, gates, and landscaping.

5.8.1.1 Unlike standard city streets which are owned by the public and maintained by the City of McMinnville, the streets within the Forest Glen development are owned by the Forest Glen lot owners through the Homeowners Association, and are totally the responsibility of Forest Glen. All maintenance, including cleaning, sweeping, patching, repairing, and seal coating, is the responsibility of the Homeowners Association and shall be accomplished via the powers and responsibilities outlined in Article 5. Any reconstruction or replacement of the streets is also the responsibility of the Homeowners Association.

5.8.1.2 The street lighting system within Forest Glen, including poles, bases, lenses, wiring, receptacles, and bulbs, is owned and must be maintained by the Forest Glen Homeowners Association.

5.8.1.3 As noted in Article 5.8, and reiterated in section 4.7.6, all improvements located at the two entryways to Forest Glen including the gates, pillars, fencing, ground lighting, landscaping, and the monument sign at the Forest Glen Drive entry, are the responsibility of the Homeowners Association. Rules regarding the use of and the hours of operation of the gates (i.e. the times or occasions that the gates may be left open, if any) shall be set by the Board. Access through the gates during the hours that they are closed shall be limited to the owners and their guests or agents; non owners who live in Forest Glen and their guests or agents; agents of the Board, including contract maintenance personnel; public and private utilities who have improvements located in easements within Forest Glen; the United States Postal Service; and emergency vehicles and personnel. The gate system must maintain compliance with the minimum adopted standards of the City of McMinnville Fire Department.

5.8.2 Tract B. Tract B contains the Forest Glen water feature, which is a private facility established and maintained for the enjoyment of the Forest Glen home owners and their guests. The water feature and all its parts are owned and must be maintained by the Forest Glen Homeowners Association. Rules regarding the operation and use of the facility will be established by the Board.

5.8.3 Tract C. Tract C contains the Forest Glen Private Park which is owned by the Forest Glen Homeowners Association and is established and will be maintained for the enjoyment and use of the Forest Glen home owners and their guests. All improvements, including the park building, the Verdin Company Clock, the duel water fountain, picnic tables, park benches, and landscaping are considered a part of the Private
Park and are the property of the Forest Glen Homeowners Association. Rules governing the usage of the Private Park shall be established by the Board.

**5.8.4 Tract D.** Tract D contains “Old Mac”, a Yamhill County Historical Society Heritage Tree. The appellation “Old Mac” was bestowed upon the giant and ancient Douglas Fir at some time in history and has stuck. The tree, which is gnarly-looking with huge blisters, or boles on the trunk, is on the Heritage List not only because of its prodigious size and height, but also because its history which tells us that Native Americans knew the tree as the “Council Tree” and they would travel from miles around to gather next to the tree at least once a year for “council”, or “pow-wow.” Another notable feature of the tree is a “widow maker” or split trunk about three quarters of the way up, most likely the result of a lightening strike.

The Declarant recognized “Old Mac” as being of the highest importance and as a hallmark of Forest Glen and felt, therefore, that it should be afforded the very highest level of protection. Care for “Old Mac” is the responsibility of the Homeowners Association and is subject to the following.

**5.8.4.1** A top to bottom review and resultant limbing of “Old Mac” was completed by a certified professional arborist in 2007 as a part of the Forest Glen subdivision improvements. The comprehensive approach to maintaining the health and safety of the tree was probably the first of its kind in the history of the tree and should not have to be repeated for many years.

**5.8.4.2** It shall be the responsibility of the Board to cause a certified professional arborist to review the health and safety of the tree at least once every 10 years. Any action taken as a result of the arborist’s report shall be at the discretion of the Board.

**5.8.4.3** “Old Mac” shall not be severely pruned or limbed when such action is proposed simply as a means to reduce the amount of debris the tree deposits on the roof or in the gutters of a structure or in the yard of a lot.

**5.8.4.4** Claims by an individual property owner that “Old Mac” is unsafe and needs to be severely pruned, limbed, topped, or removed must be backed by the recommendation of a certified professional arborist. Upon such claim being filed, the Board shall hire a second certified professional arborist to study the tree. If the second arborists conclusions are substantially the same as those of the arborist which was employed by the individual property owner, the Board may, at its discretion, take the actions recommended by the arborists, take some lesser action, or do nothing. The Board may, at its desecration, take any additional action, including hire of a third arborist, if it deems necessary in coming to a satisfactory conclusion.

**5.8.4.5** “Old Mac” shall not be topped or cut down under any circumstances unless such action is recommended by two independent certified professional arborists and unless such action cannot be mitigated by other means, such
as cabling. It is a primary goal of Forest Glen to preserve "Old mac" over time for the enjoyment of future generations.

5.8.5 Tract E. Tract E contains the Forest Glen Canyon Park and its access ways. It was the intent of the Declarant that the Canyon Park remain in a natural state for the most part so as to best serve the local flora and fauna. The park includes an improved access way, ten feet in width, leading from Tract D down to and across the creek. The main body of the park includes that property which is owned by Forest Glen and is located east of the centerline of Cozine Creek. Improvements to the park, which is owned by and must be maintained by the Forest Glen Homeowners Association, includes the access way from Tract D to the main body of the park, the culvert system at the creek crossing, pathways and picnic areas. In addition, the following apply to the Canyon Park.

5.8.5.1 Park rules and hours shall be set by the Forest Glen Board. The park may be closed by the Board during the winter months and at other high water times.

5.8.5.2 Fencing along the north, east, and south perimeters of the park may be constructed at some future date providing that financing is available and the Board determines that it is the desire of the majority of lot owners within Forest Glen.

ARTICLE 6
ARCHITECTURAL REVIEW COMMITTEE

6.1 Architectural Review. Upon first viewing the property which was to become Forest Glen, it became the Declarant's belief that the site offered the opportunity for the construction of one of McMinnville's most exclusive communities. It was felt that the site demanded the construction of only the highest quality homes. With this in mind, the improvements in the Common Areas were designed and constructed to reflect these goals. Because of this, all house plans submitted for architectural review will be judged on their ability to not only reflect those goals but to exemplify and protect them. A house plan may be rejected if it is believed by theARC that it does not present a proper street appeal, that it might be injurious to the value of the other homes in the subdivision, or simply if it is not a custom type plan which reflects an architectural creativity. No Improvements shall be commenced, erected, placed, or altered on any lot until the construction and site plans and specifications showing the nature, shape, height, materials, layout, elevations, colors and proposed location of the improvements as well as the location of all existing trees 1-foot dbh (diameter at breast height) or greater have been submitted to and approved in writing by the Architectural Review Committee (ARC). This Article's purpose is to assure quality of workmanship and materials and harmony between exterior design and the existing improvements and landscape and as to location with respect to topography and finished grade elevations and the location of existing trees. The ARC shall not be responsible for determining compliance with structural and building codes, solar ordinances, zoning codes, or other governmental regulations, all of which are the applicant's responsibility. The procedure and specific requirements for review and approval of construction shall be
set forth in design guidelines and standards adopted from time to time by the ARC. The provisions of this Article shall apply in all instances in which this Declaration requires the ARC's consent.

6.2 Architectural Review Committee, Appointment and Removal. Declarant reserves the right to appoint all Members of the ARC and all replacements thereto until Forest Glen is 100 percent built out. The ARC shall consist of no fewer than three Members and no more than five Members. Each ARC member shall serve for one year. After build out, Declarant shall assign to the Board the right to appoint and remove Members of the ARC. Board Members and persons who are not Owners but who have special expertise regarding the matters that come before the ARC may serve as all or some of the ARC's Members. In the Board's sole discretion, non-Owner Members of the ARC may be paid. The Board may appoint itself as the ARC or any of its Members to the ARC. If an ARC has not been appointed, the Board shall serve as the ARC.

6.3 Majority Action. Except as otherwise provided in this Declaration, a majority of the Members of the ARC shall have the power to act on behalf of the ARC, without the necessity of a meeting and without the necessity of consulting the remaining member or Members of the ARC. The ARC may render its decision only by written instrument setting forth the action taken by the Members consenting thereto.

6.4 Duties. The ARC shall consider and act on the proposals and/or plans submitted pursuant to this Article. The ARC, from time to time and at its sole discretion, may adopt architectural rules, regulations, and guidelines ("Architectural Standards"). The Architectural Standards shall interpret and implement the provisions of this Declaration for architectural review and guidelines for architectural design, placement of buildings, color schemes, exterior finishes and materials, treatment of existing trees and proposed landscaping, and similar features that may be used in Forest Glen; provided, however, that the Architectural Standards shall not be in derogation of the minimum standards established by this Declaration.

6.5 ARC Decision. The ARC shall render its written decision approving or denying each construction application submitted to it within 15 working days after its receipt of all materials required with respect to such application. If the ARC fails to render such written decision within 30 days of its receipt of all required materials or request an extension, the application shall be deemed approved. The ARC shall be entitled to request one or more extensions of time, not to exceed 45 days. In the event of such extension requests, if the ARC does not render a written decision within 15 days after the expiration of the extension(s), the application shall be deemed approved. Provided, however, the applicant may agree to further extensions to allow the applicant to complete or supplement the application.

6.6 ARC Discretion. The ARC, at its sole discretion, may withhold consent to any proposed work if the ARC finds the proposed work would be inappropriate for the particular Lot or incompatible with the design standards that the Declarant and the ARC intends for Forest Glen. The ARC may consider architectural creativity, street appeal,
value, siting, shape, size, color, design, height, solar access, landscaping, existing trees, or other effect on the enjoyment of other Lots or the Common Areas, and any other factors that it reasonably believes to be relevant in determining whether or not to consent to any proposed work.

6.7 Nonwaiver. Consent by the ARC 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 Appeal. After Declarant has assigned the right to appoint ARC Members to the Board pursuant to Article 6.2, any Owner adversely impacted by ARC action may appeal such action to the Board. Such appealing Owner shall submit to the Board a written notice of appeal, setting forth specific objections or mitigating circumstances justifying the appeal, within 10 days after the ARC’s action. The Board shall issue a final, conclusive decision within 45 days after receipt of such notice, and such decision shall be final and binding on the appealing Owner and the ARC. Provided, however, the Board shall make reasonable efforts to reach a decision within 20 days. If the Board is serving as the ARC, then such appeal shall be deemed a request for reconsideration.

6.9 Effective Period of Consent. The ARC’s consent to any proposed work shall automatically expire three months after issuance unless construction of the project has been commenced or the Owner has applied for and received an extension of time from the ARC.

6.10 Determination of Compliance. The ARC may inspect, from time to time, all work performed and determine whether it is in substantial compliance with the approval granted. If the ARC finds that the work was not performed in substantial conformance with the approval granted, or if the ARC finds that the approval required was not obtained, the ARC 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.

6.11 Noncompliance. If the ARC determines that an Owner has not constructed an improvement consistent with the specifications of an ARC approval or has constructed an improvement without obtaining ARC approval, sends a notice of noncompliance to such Owner, and such Owner fails to commence diligently remedying such noncompliance in accordance with such notice, then, effective at 5:00 p.m. on the third day after issuance of such notice, the ARC shall provide notice of a hearing to consider the Owner’s continuing noncompliance. The hearing shall be set not more than 30 days from the date on which the notice of noncompliance was issued. At the hearing, if the ARC finds that there is no valid reason for the continuing noncompliance, the ARC shall determine the estimated costs of achieving compliance and may issue a fine against the noncomplying Owner for such amount. The ARC also shall require the Owner to remedy such noncompliance within 10 days after the date of the ARC’s determination. If the Owner does not comply with the ARC’s ruling within such period or any extension thereof granted by the ARC, at its sole discretion, the ARC may remove the noncomplying improvement, remedy the noncompliance, and/or record a notice of noncompliance in the county deed.
records. The costs of any such action shall be assessed against the Owner as a Reimbursement Assessment either before or after any remedial action is taken.

6.12 Liability. Neither the ARC 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 ARC or a member thereof, provided only that the ARC or the member has, in accordance with its or his or her actual knowledge, acted in good faith.

6.13 Estoppel Certificate. Within 15 working days after the ARC’s receipt of a written request from an Owner and the ARC’s receipt of payment of a reasonable fee fixed by the ARC to cover costs, the ARC shall provide such Owner with a certificate executed by the Chairperson or other authorized member of the ARC certifying with respect to any Lot owned by the Owner, that, as of the date thereof either (a) all Improvements made or done upon such Lot 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 and such Owner’s heirs, devisees, 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 among Declarant, the ARC, the Association, all Owners, and all persons deriving any interest through any of them.

6.14 Fees. The ARC may charge applicants a reasonable application fee and additional costs incurred or expected to be incurred by the ARC to retain architects, attorneys, engineers, and other consultants to advise the ARC concerning any aspect of the applications and/or compliance with any appropriate architectural criteria or standards, including, without limitation, those pertinent to house siting and height. Such fees shall be collectible as assessments pursuant to Article 10.

6.15 Declarant and Successor Exempt from ARC. The Declarant or a successor to all of the unsold Lots shall be exempt from the requirement to submit and have plans approved by the ARC. However, the Declarant and its successor shall not be exempt from the provisions of Article 4 of the Declaration.

ARTICLE 7
MEMBERSHIP IN THE ASSOCIATION

7.1 Members. Each Owner shall be a 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 shall automatically transfer membership in the Association. Without any other act or acknowledgment, 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 such Owner’s vote in person, by written ballot, or pursuant to a proxy executed by such Owner. An Owner may not revoke a proxy given
pursuant to this Article 7.2 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 undated or purports to be revocable without notice. A proxy shall terminate one year after its date, unless the proxy specifies a shorter term.

7.3 Voting Rights. The Association shall have two classes of voting Members:

7.3.1 Class A. Class A Members shall be all Owners of Lots other than Declarant, and each Class A member shall be entitled to one vote for each Lot owned with respect to all matters on which Owners are entitled to vote.

7.3.2 Class B. The Class B member shall be Declarant, its successors, and its assigns. The Class B member shall have three votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the earlier of the following dates (the “Termination Date”):

(a) The date on which 100% of the total number of Lots in Forest Glen have been sold and conveyed to Owners other than Declarant.

(b) The date on which Declarant elects in writing to terminate Class B membership. After the Termination Date, each Owner, including Declarant, shall be entitled to one vote for each Lot owned with respect to all matters on which Owners are entitled to vote, and the total number of votes shall be equal to the total number of Lots subject to this Declaration, initially or through annexation.

When more than one person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but in no event shall fractional voting be allowed. Fractional or split votes shall be disregarded, except for purposes of determining a quorum.

7.4 Procedure. All meetings of the Association, the Board, the ARC, and Association committees shall be conducted with such rules of order as may from time to time by adopted by the Board. Notwithstanding which rule of order is adopted, the President 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. Declarant hereby reserves administrative control of the Association. Declarant, in its sole discretion, shall have the right to appoint and remove Members of an Interim Board (the “Interim Board”), which shall manage the affairs of the Association and be invested with all powers and rights of the Board until the
Turnover Meeting (as hereinafter defined). The Interim Board shall consist of from one to three Members. Notwithstanding the provision of this Article 8.1, at the Turnover Meeting, at least one Director shall be elected by Owners other than Declarant, even if Declarant otherwise has voting power to elect all three Directors.

8.2 Turnover Meeting. Declarant shall call a meeting for the purposes of turning over administrative control of the Association from Declarant to the Class A Members within 60 days of the earlier of the following dates:

8.2.1 Earliest Date. The date on which Lots representing 100% of the total number of votes of all Lots in Forest Glen have been sold and conveyed to persons other than Declarant;

8.2.2 Optional Turnover. The date on which Declarant has elected in writing to terminate Class B membership.

Declarant shall give notice of the Turnover Meeting to each Owner as provided in the Bylaws. If Declarant does not call the Turnover Meeting required under this Article the transitional advisory committee or 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 Forest Glen. 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 Common Areas and each Lot on the Property, 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 that Declarant owns. 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. Declarant may maintain a reasonable number of “For Sale” signs at reasonable locations on the Property, including, without limitation, on the Common Areas.

9.3 Declarant Easements. Declarant reserves easements over the Property as more fully described in Article 3.4 hereof.

9.4 Additional Improvements. Declarant does not agree to build any Improvements not described in this Declaration.

ARTICLE 10
FUNDS AND ASSESSMENTS
10.1 Purpose of Assessments; Expenses. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, aesthetics, and welfare of the Owners and Occupants of Forest Glen; for the improvement, operation, and maintenance of the Common Areas and the Commonly Maintained Property; for the administration and operation of the Association; and for Property and liability insurance. All such expenses set forth herein shall be deemed "known expenses."

10.2 Covenants to Pay. Declarant and each Owner covenant and agree to pay the Association the assessments and any additional charges levied pursuant to this Declaration and the Bylaws. All assessments for operating expenses, repairs and replacement, and reserves shall be allocated among the Lots and their Owners as set forth in Article 10.4.2.

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 as set forth in Article 10.1. On the sale or transfer of any Lot, the Owner's interest in such funds shall be deemed automatically transferred to the successor in interest to 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.

10.2.3 Right to Profits. Association profits, if any, shall be the Property of the Association and shall be contributed to the Current Operating Account.

10.3 Basis of Assessment; Commencement of Assessments. Declarant shall pay all common expenses of the Association until the Lots are assessed for common expenses. The amount and date of commencement of the initial annual assessment to Owners other than Declarant shall be determined by Declarant; said date most likely to be the date that the first sale of a lot closes. Because the Declarant built and paid for all common improvements, and continues to build and pay for common improvements after the date of the commencement of the initial annual assessment, it would not be appropriate to assess the Declarant for payment of reserves. Therefore the Declarant shall not be required to pay into the reserve account for a period of three years after the date of the first lot sold, until the date that all lots are sold, or until the date of the Turnover Meeting, which ever occurs first.

The Declarant shall pay into the current operating account its allocated share as per the requirement of Article 10.4.2 beginning at the date of commencement of the initial annual assessment to owners. The Declarant may make payments directly to vendors, contractors and other hirings of the Association, and have said payment credited against its allocated share.

10.4 Annual Assessments. Annual assessments for each fiscal year shall be established when the Board approves the budget for that fiscal year. The initial annual
assessment shall be determined by Declarant and shall be prorated on a monthly basis at the time of the closing of the first sale from Declarant. For proration purposes, any portion of a month shall count as a full month. Annual assessments shall be payable on a periodic bases, not more frequently than monthly, as determined by the Board. The fiscal year shall be the calendar year unless another year is adopted by vote of the Association Members.

10.4.1 **Budgeting.** 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 Common Areas and 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 such Improvements as provided in Article 10.6.2; 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 Common Areas and the Commonly Maintained Property. Notwithstanding that, budgeting shall be done on an accrual basis, the Association’s books shall be kept on a cash basis and the Association shall be a cash basis taxpayer, unless applicable governmental regulations require otherwise. 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 and distribute a copy or summary thereof to each Member, together with written notice of the amount of the annual assessments to be levied against the Owner’s Lot, within 30 days after adoption of such budget.

10.4.2 **Allocation of Assessments.** The total amount in the budget shall be charged against all Lots as annual assessments as follows:

<table>
<thead>
<tr>
<th>Lot</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-44</td>
<td>2.28% per Lot</td>
</tr>
</tbody>
</table>

The annual assessment percentage charged to each Lot will be adjusted should additional Lots be annexed.

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.

10.5 **Special Assessments.** The Board and/or the Owners 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 this Declaration, the Bylaws, or the Rules and Regulations, by vote of a majority of the Board;

10.5.3 Repairs. To collect additional amounts necessary to make repairs or renovations to the Common Areas or 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 Capital Improvements. To make capital acquisitions, additions or Improvements, by vote of at least 80% of all votes allocated to the Lots.

10.5.5 Reimbursement Assessments. The Association shall levy a reimbursement assessment against any Owner and such Owner's Lot if a failure to comply with this Declaration, Bylaws, Architectural Standards, or any Rules and Regulations has (a) necessitated an expenditure of monies by the Association to effect compliance or (b) resulted in the imposition of a fine or penalty against such Owner or such Owner's Lot (a "Reimbursement Assessment"). A Reimbursement Assessment shall be due and payable to the Association when levied. A Reimbursement Assessment shall not be levied by the Association except on at least 10 days' written notice to the Owner being assessed. If, within said 10-day period, the Owner makes a written request to the Board for a hearing, a hearing shall be held. On request for a hearing, the Board shall conduct it not less than 10 nor more than 30 days after the request by the Owner, and shall make its decision within not more than 30 days after the hearing is held. If a notice has been previously given, and the hearing has already been held or waived (in writing or by the Owner's failure to appear) for the violation resulting in the Reimbursement Assessment, no additional notice and hearing is required before levying the Reimbursement Assessment.

10.6 Accounts.

10.6.1 Types of Accounts. Assessments collected by the Association shall be deposited into at least two 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 Directors or one Director and an officer of the Association who is not a Director. In its books and records, the Association shall account separately for operating expenses relating to the Common Areas/Commonly Maintained Property and operating expenses relating to all other matters, as well as for necessary reserves relating to the Common Areas/Commonly Maintained Property and necessary reserves relating to all other matters.
10.6.2 Reserve Account. Declarant shall establish a Reserve Account, in the name of the Association, which shall be kept separate from all other funds held by the Association. The Association shall pay out of the Reserve Account only those costs that are attributable to the maintenance, repair, or replacement of Common Areas Property and Commonly Maintained Property that normally requires replacement, in whole or in part, within three to 30 years and not for regular or periodic maintenance and expenses. No funds collected for the Reserve Account may be used for ordinary current maintenance and operation purposes.

10.6.2.1 Calculation of Reserve Assessment; Reserve Study. The Board of Directors of the Association shall annually conduct a reserve study, or review and update an existing study, of the Common Areas and Commonly Maintained Property to determine the reserve account requirements. A reserve account shall be established for those items of the Common Areas and Commonly Maintained Property all or part of which will normally require replacement in more than three and less than 30 years, for exterior painting, and for the maintenance, repair, or replacement of other items as may be required under the Declaration or Bylaws or that the Board of Directors, in its discretion, may deem appropriate. The reserve account need not include items that could reasonably be funded from operating assessments. The reserve study shall include:

(a) identification of all items for which reserves are required to be established;

(b) the estimated remaining useful life of each item as of the date of the reserve study;

(c) the estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and

(d) a 30-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule.

The reserve account assessment shall be allocated pursuant to Article 10.4.2.

10.6.2.2 Loan from Reserve Account. After the Turnover Meeting described in Article 8.2, the Board may borrow funds from the Reserve Account to meet high seasonal demands on the Association's regular operating fund or to meet unexpected increases in expenses. Funds borrowed must be repaid later from assessments if the Board has adopted a resolution, which may be an annual continuing resolution, authorizing the borrowing of funds. Not later than the adoption of the budget for the following year, the Board shall adopt by resolution a written payment plan providing for repayment within a reasonable period.

10.6.2.3 Increase or Reduction, or Elimination of Reserve Account Assessment. At any time after the second year after the Turnover Meeting,
future assessment for the Reserve Account may be increased or reduced by the vote of Owners of Lots representing 75% of the votes computed in accordance with Article 7.3.

10.6.2.4 Investment of Reserve Account. Nothing in this Article 10.6 prohibits the prudent investment of Reserve Account funds, subject to any constraints imposed by the Board, the Bylaws, or the Rules and Regulations.

10.6.2.5 Refunds of Assessments. Assessments paid into the Reserve Account are the Property of the Association and are not refundable to sellers or Owners of Lots. Sellers or Owners of Lots may treat their outstanding share of the Reserve Account's balance as a separate item in the sales contract providing for the conveyance of their Lot.

10.6.3 Current Operating Account. All costs other than those to be paid from the Reserve Account pursuant to Article 10.6.2 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 obligation of all Owners of the Lot to which such assessment pertains. In a voluntary conveyance (i.e., one other than through foreclosure or a deed in lieu of foreclosure), the grantees shall be jointly and severally liable with the grantors 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. The Association shall have a lien against each Lot for any assessment (of any type provided for by this Declaration or the Bylaws) or installment thereof that is delinquent. Such lien shall accumulate all future assessments or installments, interest, late fees, penalties, fines, attorney fees (whether or not suit or action is instituted), actual administrative costs, and other appropriate costs properly chargeable to an Owner by the Association, until such amounts are fully paid. Recording of the Declaration constitutes record notice and perfection of the lien. Said lien may be foreclosed at any time pursuant to the Planned Community Act. The Association shall record a notice of a claim of lien for assessments and other charges in the deed records of Yamhill County, Oregon, before any suit to foreclose may be filed. 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 before the Association’s notice of lien, and any mortgage or deed of trust granted to an institutional lender that is recorded before 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, Architectural Standards, and the Rules and Regulations adopted by the Board or the ARC. The adoption of such impositions shall be communicated to all Owners in writing not less than 30 days before the effective date by a notice mailed to the assessment billing address of such Owners. Such impositions shall be considered assessments that are lienable and collectible in the same manner as any other assessments; provided, however, that 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 such Owner’s Lot until such Owner is given an opportunity for a hearing as elsewhere provided herein.

10.7.4 Acceleration of Assessments. If an Owner is delinquent in payment of any assessment or installment on any assessment, the Association, on not less than 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 such Owner’s Lot or shall be entitled to the appointment of a receiver.

ARTICLE 11
GENERAL PROVISIONS

11.1 Records. The Board shall preserve and maintain minutes of the meetings of the Association, the Board and any committees. The Board also shall 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 on the account, and the balance due on the assessments. The minutes of the Association, the Board and Board committees, and the Association’s financial records shall be maintained in the State of Oregon and 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 such person is or was a Director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action, or proceeding if such person acted in good
faith and in a manner that such person 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 that such person's conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or with a plea of no contest or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner that such person 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 that such person's 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 benefitted from the acts that created said liability.

11.3 Enforcement; Attorney Fees. The Association and the Owners and any mortgagee holding an interest on a 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 (including without limitations, for the collection of assessments), the prevailing party shall be entitled to its actual administrative costs incurred because of a matter or event that is the subject of the suit or action, 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 and costs incurred in any enforcement activity or to collect delinquent assessments, together with the Association's actual administrative costs, 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 35 years from the date of this Declaration being recorded, after which time they shall be automatically extended for successive periods of 10 years, unless rescinded by a vote of at least 90% of the Owners and 90% of the first mortgagees; provided, however, that amendments that do not constitute rescission of the planned community may be adopted as provided in Article 11.6.
11.6 Amendment. Except as otherwise provided in Article 11.5 or ORS 94.590, and the restrictions set forth elsewhere herein, this Declaration may be amended at any time by an instrument approved by not less than 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 Nonprofit Corporation Act and that no amendment affecting the general plan of development or any other right of Declarant herein contained may be effected without the express written consent of Declarant or its successors and assigns, including, without limitation, amendment of this Article 11.6.

11.7 Release of Right of Control. 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 Declarant provided in this Declaration, 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. Before 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 Forest Glen, 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.

CERTIFICATION
The undersigned President and Secretary of Forest Glen Homeowners’ Association hereby certify that the within 2010 amendments to the Declaration of Restrictions, Conditions and Covenants Applicable to Forest Glen Subdivision have been approved by the Owners in accordance with the requirements of the Declaration and ORS 94.590.

Forest Glen Homeowners’ Association Inc., an Oregon Corporation

By: [Signature]  By: [Signature]
President  Secretary

STATE OF OREGON, County of Yamhill ) ss.  October 27, 2010

This instrument was acknowledged before me on October 27, 2010, by Kenneth Maahs as President, and John Larsen, as Secretary of the Forest Glen Homeowners’ Association, Inc., who being sworn and duly authorized by said corporation did certify and verify the above amendments as being said corporation’s voluntary act and deed.

[Seal]
SUSAN M. MACLEAN
NOTARY PUBLIC-OREGON
COMMISSION NO. 441360
MY COMMISSION EXPIRES JULY 26, 2013

[Signature]  Susan Maclean
Notary Public for Oregon
My Commission Expires:
RECORDING COVER SHEET
(Per ORS 205.234 or ORS 205.244)
This cover sheet has been prepared by the person
presenting the attached instrument for recording.
Any errors in this cover sheet do not effect the
Transaction(s) contained in the instrument itself

After recording return to:
Dan Grunewald
P.O. Box 1100
Wilsonville, OR 97070

1) Title(s) of Transaction(s) ORS 205.234(a)
   Assignment

2) Direct Party/Grantor(s) and address ORS 205.125(1)(b) and ORS 205.160
   Forest Glen Partners, LLC, 775 NE Evans St., McMinnville, OR 97128

3) Indirect Party/Grantee(s) and address ORS 205.125(1)(a) and ORS 205.160
   Patrick J. Carney, 625 Hawthorne Ave. SE, Ste 100, Salem, OR 97301

3a) Trustee and address, if any

4) True and Actual Consideration ORS 93.030
   $0

5) Send Tax Statements to:

☐: If this box is checked, the below applies:

If this instrument is being Re-Recorded, complete the following statement, in accordance with ORS
205.244: "Rerecorded at the request of to correct previously recorded in Book and Page, or as
Fee Number."

(Legal description if corrected is attached to included certified document of the original.)
ASSIGNMENT OF DECLARANT RIGHTS

KNOW ALL MEN BY THESE PRESENTS, that for value received Forest Glen Partners, LLC, an Oregon limited liability company ("Assignor"), hereby transfers, conveys and assigns to Patrick J. Carney ("Assignee"), and his heirs, successor and assigns, all rights and authority of the Declarant under ORS 94.550 to 94.783, the Declaration of Covenants, Conditions and Restrictions for Forest Glen recorded August 16, 2007 as Instrument No. 200718398 in the Deed and Mortgage records of Yamhill County, Oregon; the Bylaws of Forest Glen Homeowners’ Association, Inc. recorded August 16, 2007 as Instrument No. 200718397 in the Deed and Mortgage records of Yamhill County, Oregon, and the Nonprofit Articles of Incorporation of Forest Glen Homeowners’ Association, Inc., recorded September 7, 2007 as Instrument No. 200719850 in the Deed and Mortgage Records of Yamhill County, including any amendments to any of the foregoing (collectively, the “Declarant Rights”).

Assignor represents and warrants to Assignee and his heirs, successors and assigns that (i) Assignor has not previously transferred any of the Declarant Rights, (ii) Assignor has not previously terminated, relinquished, or waived any of the Declarant Rights; (iii) Assignor has full power and authority to transfer the Declarant Rights to Assignee.

In construing this assignment and where the context so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporations companies and to individuals.

In Witness Whereof, the Assignor has executed this instrument on Feb 29, 2012.

Forest Glen Partners, LLC
an Oregon limited liability company

By: [Signature]
Name: Raymond J. Kulbeck, Member
Title: Authorized Member

By: [Signature]
Name: Theodore L. Steber, Member
Title: Authorized Member

Accepted by Assignee:

[Signature]
Patrick J. Carney
NOTARY ACKNOWLEDGEMENT
ATTACHED TO DOCUMENT

File No: 1031-1827598 (LF)  
Date: February 22, 2012

STATE OF Oregon  
) ss.
County of Yamhill  

This instrument was acknowledged before me on this 29th day of February, 2012 by Raymond J. Kulback as Member of Forest Glen Partners, LLC.

[Signature]

LINDA L. FINN
NOTARY PUBLIC-OREGON  
COMMISSION NO. 464897  
MY COMMISSION EXPIRES FEBRUARY 06, 2016

STATE OF Oregon  
) ss.
County of Yamhill  

This instrument was acknowledged before me on this 29th day of February, 2012 by Theodore Steber as Member of Forest Glen Partners, LLC.

[Signature]

LINDA L. FINN
NOTARY PUBLIC-OREGON  
COMMISSION NO. 464897  
MY COMMISSION EXPIRES FEBRUARY 06, 2016

STATE OF Oregon  
) ss.
County of Yamhill  

This instrument was acknowledged before me on this 27th day of February, 2012 by Patrick J. Carney.

[Signature]

LINDA L. FINN
NOTARY PUBLIC-OREGON  
COMMISSION NO. 464897  
MY COMMISSION EXPIRES FEBRUARY 06, 2016
RECORDING COVER SHEET
(Per ORS 205.234 or ORS 205.244)
This cover sheet has been prepared by the person presenting the attached instrument for recording. Any errors in this cover sheet do not effect the Transaction(s) contained in the instrument itself

After recording return to:
Dan Grunewald
P.O. Box 1100
Wilsonville, OR 97070

1) Title(s) of Transaction(s) ORS 205.234(a)
   Assignment

2) Direct Party/Grantor(s) and address ORS 205.125(1)(b) and ORS 205.160
   Patrick J. Carney, 625 Hawthorne Ave. SE, Ste 100, Salem, OR 97301

3) Indirect Party/Grantee(s) and address ORS 205.125(1)(a) and ORS 205.160
   Old Mac, LLC, 625 Hawthorne Ave. SE, Ste 100, Salem, OR 97301

3a) Trustee and address, if any

4) True and Actual Consideration ORS 93.030
   $0

5) Send Tax Statements to:

☐ : If this box is checked, the below applies:

If this instrument is being Re-Recorded, complete the following statement, in accordance with ORS 205.244: "Rerecorded at the request of to correct previously recorded in Book and Page, or as Fee Number ."

(Legal description if corrected is attached to included certified document of the original.)
ASSIGNMENT OF
DECLARANT
RIGHTS

KNOW ALL MEN BY THESE PRESENTS, That for value received, Patrick J. Carney, ("Assignor"), hereby transfers, conveys and assigns unto Old Mac, LLC an Oregon limited liability company ("Assignee"), its successor and assigns, all rights and authority of the Declarant under ORS 94.550 to 94.783, the Declaration of Covenants, Conditions and Restrictions for Forest Glen recorded August 16, 2007 as Instrument 200718398 in the Deed and Mortgage records of Yamhill County, Oregon; the Bylaws of Forest Glen Homeowner’s Association, Inc. recorded August 16, 2007 as Instruments Nos. 200718397 and the Nonprofit Articles of Incorporation of Forest Glen Homeowner’ Association, Inc., recorded September 7, 2007 as Instrument No. 200719850, Deed and Mortgage Records of Yamhill County, including any amendments to any of the foregoing (collectively, the “Declarant Rights”).

Assignor represents and warrants to Assignee and his heirs, successors and assigns that (i) Assignor has not previously transferred any of the Declarant Rights, (ii) Assignor has not previously terminated, relinquished, or waived any of the Declarant Rights; (iii) Assignor has full power and authority to transfer the Declarant Rights to Assignee.

In construing this assignment and where the context so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporations companies and to individuals.

In Witness Whereof, the Assignor has executed this instrument on February 27, 2012.

Patrick J. Carney

By:

Accepted by Assignee:

Old Mac, LLC

By:

Patrick J. Carney, Authorized Member
NOTARY ACKNOWLEDGEMENT
ATTACHED TO DOCUMENT Assignment

File No: 1031-1827598 (LF)                      Date: February 24, 2012

STATE OF     Oregon     )
County of     Yamhill    )

This instrument was acknowledged before me on this 27th day of February, 2012
by Patrick J. Carney.

LINDA L. FINN
Notary Public for Oregon
My commission expires: 2/6/2016

STATE OF     Oregon     )
County of     Yamhill    )

This instrument was acknowledged before me on this 27th day of February, 2012
by Patrick J. Carney as Authorized Member of Old Mac, LLC.

LINDA L. FINN
Notary Public for Oregon
My commission expires: 2/6/2016
RECORDING COVER SHEET
(Per ORS 205.234 or ORS 205.244)
This cover sheet has been prepared by the person presenting the attached instrument for recording.
Any errors in this cover sheet do not effect the Transaction(s) contained in the instrument itself

After recording return to:
Dan Grunewald
P.O. Box 1100
Wilsonville, OR 97070

1) Title(s) of Transaction(s) ORS 205.234(a) Assignment

2) Direct Party/Grantor(s) and address ORS 205.125(1)(b) and ORS 205.160
   Old Mac, LLC 625 Hawthorne Ave. SE, Ste 100, Salem, OR 97301

3) Indirect Party/Grantee(s) and address ORS 205.125(1)(a) and ORS 205.160
   Forest Glen Builders, LLC, P.O. Box 1100, Wilsonville, OR 97070

3a) Trustee and address, if any

4) True and Actual Consideration ORS 93.030
   $0

5) Send Tax Statements to:

☐ If this box is checked, the below applies:

If this instrument is being Re-Recorded, complete the following statement, in accordance with ORS 205.244: "Rerecorded at the request of to correct previously recorded in Book and Page, or as Fee Number."

(Legal description if corrected is attached to included certified document of the original.)
ASSIGNMENT OF
DECLARANT
RIGHTS

KNOW ALL MEN BY THESE PRESENTS, That for value received, Old Mac, LLC an Oregon limited liability company, ("Assignor"), hereby transfers, conveys and assigns unto Forest Glen Builders, LLC, an Oregon limited liability company ("Assignee"), its successors and assigns, all rights and authority of the Declarant under ORS 94.550 to 94.783, the Declaration of Covenants, Conditions and Restrictions for Forest Glen recorded August 16, 2007 as Instrument 200718398 in the Deed and Mortgage records of Yamhill County, Oregon; the Bylaws of Forest Glen Homeowners’ Association, Inc. recorded August 16, 2007, as Instruments No. 200718397 and the Nonprofit Articles of Incorporation of Forest Glen Homeowners’ Association, Inc., recorded September 7, 2007 as Instrument No. 200719850, Deed and Mortgage Records of Yamhill County, including any amendments to any of the foregoing (collectively, the "Declarant Rights").

Assignor represents and warrants to Assignee and its successors and assigns that (i) Assignor has not previously transferred any of the Declarant Rights, (ii) Assignor has not previously terminated, relinquished, or waived any of the Declarant Rights; (iii) Assignor has full power and authority to transfer the Declarant Rights to Assignee.

In construing this assignment and where the context so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporations companies and to individuals.

In Witness Whereof, the Assignor has executed this instrument on Feb 27, 2012.

Old Mac, LLC
an Oregon limited liability company

By: ____________________________
Name: Patrick J. Carney, Member
Title: Authorized Member

Accepted by Assignee:

Forest Glen Builders, LLC
An Oregon limited liability company

By: ____________________________
Name: Dan Grunewald
Title: Managing Member
NOTARY ACKNOWLEDGEMENT
ATTACHED TO DOCUMENT

STATE OF Oregon )
                   )ss.
County of Yamhill )

This instrument was acknowledged before me on this 27th day of February, 2012 by Patrick J. Carney as Member of Old Mac, LLC.

______________________________
LINDA L FINN
NOTARY PUBLIC-OREGON
COMMISSION NO. 464897
MY COMMISSION EXPIRES FEBRUARY 06, 2016

File No: 1031-1827598 (LF)

STATE OF Oregon )
                   )ss.
County of Yamhill )

This instrument was acknowledged before me on this _____ day of ___________________, 20___ by Dan Grunewald as Managing Member of Forest Glen Builders, LLC.

______________________________
LINDA L FINN
NOTARY PUBLIC FOR OREGON
MY COMMISSION EXPIRES: 26/02/16

Date: February 24, 2012

3/5
ASSIGNMENT OF DECLARANT RIGHTS

KNOW ALL MEN BY THESE PRESENTS, That for value received, Old Mac, LLC an Oregon limited liability company, ("Assignor"), hereby transfers, conveys and assigns unto Forest Glen Builders, LLC, an Oregon limited liability company ("Assignee"), its successors and assigns, all rights and authority of the Declarant under ORS 94.550 to 94.783, the Declaration of Covenants, Conditions and Restrictions for Forest Glen recorded August 16, 2007 as Instrument 200718398 in the Deed and Mortgage records of Yamhill County, Oregon; the Bylaws of Forest Glen Homeowners' Association, Inc. recorded August 16, 2007, as Instruments No. 200718397 and the Nonprofit Articles of Incorporation of Forest Glen Homeowners’ Association, Inc., recorded September 7, 2007 as Instrument No. 200719850, Deed and Mortgage Records of Yamhill County, including any amendments to any of the foregoing (collectively, the "Declarant Rights").

Assignor represents and warrants to Assignee and its successors and assigns that (i) Assignor has not previously transferred any of the Declarant Rights, (ii) Assignor has not previously terminated, relinquished, or waived any of the Declarant Rights; (iii) Assignor has full power and authority to transfer the Declarant Rights to Assignee.

In construing this assignment and where the context so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporations companies and to individuals.

In Witness Whereof, the Assignor has executed this instrument on 02/27/2012.

Old Mac, LLC
an Oregon limited liability company

By: [Signature]
Name: Patrick J. Cuskey, Member
Title: Authorized Member

Accepted by Assignee:

Forest Glen Builders, LLC
An Oregon limited liability company

By: [Signature]
Name: Dan Gfunewald
Title: Managing Member
NOTARY ACKNOWLEDGEMENT
ATTACHED TO DOCUMENT

STATE OF Oregon )
County of Yamhill )

This instrument was acknowledged before me on this 27th day of February, 2012
by Patrick J. Carney as Member of Old Mac, LLC.

OFFICIAL SEAL
LINDA L FINN
NOTARY PUBLIC-OREGON
COMMISSION NO. 454897
MY COMMISSION EXPIRES FEBRUARY 06, 2016

Linnea J. Finn
Notary Public for Oregon
My commission expires: 2/6/2016
Date: February 24, 2012

STATE OF Oregon )
County of Yamhill )

This instrument was acknowledged before me on this 27th day of February, 2012
by Dan Grunewald as Managing Member of Forest Glen Builders, LLC.

OFFICIAL SEAL
LINDSEY A GIBSON
NOTARY PUBLIC - OREGON
COMMISSION NO. 444332
MY COMMISSION EXPIRES NOVEMBER 16, 2013

Lindsey A Gibson
Notary Public for Oregon
My commission expires:
BYLAWS OF
FOREST GLEN HOMEOWNERS’ ASSOCIATION, INC.

ARTICLE 1.
DEFINITIONS

1.1 Association. "Association" means FOREST GLEN HOMEOWNERS’ ASSOCIATION, INC., a nonprofit corporation organized and existing under the laws of the State of Oregon.

1.2 Articles of Incorporation. "Articles of Incorporation" means the Articles of Incorporation of the Association.

1.3 Declaration. The "Declaration" means the Declaration of Covenants, Conditions, and Restrictions for FOREST GLEN as the same may be subsequently amended or supplemented pursuant to the terms thereof.

1.4 Incorporation by Reference. Except as otherwise provided herein, the terms that are defined in Article I of the Declaration are used in these Bylaws as therein defined.

ARTICLE 2.
MEMBERSHIP

2.1 Membership. Every Owner of one or more Lots within FOREST GLEN shall, immediately upon creation of the Association and thereafter during the entire period of such ownership, be a member of the Association. Such membership shall commence, exist and continue simply by virtue of such ownership, shall expire automatically upon termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

2.2 Membership List. The Secretary shall maintain at the principal office of the Association a membership list showing the name and address of the Owner of each Lot. The Secretary may accept as satisfactory proof of such ownership a duly executed and acknowledged conveyance, a title insurance policy, or other evidence reasonably acceptable to the Board of Directors.

ARTICLE 3.
MEETINGS AND VOTING

3.1 Place of Meetings. Meetings of the members of the Association shall be held at such reasonable place convenient to the members as may be designated in the notice of the meeting.
3.2 **Turnover Meeting.** Declarant shall call the first meeting of the Owners to organize the Association within sixty (60) days after termination of the Class B membership as provided in Section 3.7 below. Notice of such meeting shall be given to all Owners as provided in Section 3.5. If the Declarant fails to call the meeting, the meeting may be called and notice given by any Owner or mortgagee of a Lot. The expense of giving notice shall be paid or reimbursed by the Association. No quorum is required for the Turnover Meeting. Nothing in this section shall be construed as preventing Declarant from calling the Turnover Meeting before such date or from calling informal, informational meetings of the Owners.

3.3 **Annual Meeting.** The annual meeting of the members for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such reasonable hour and on such reasonable day as may be established by the Board of Directors or, if the Board should fail to designate a date by the first day of July 2008, then the meeting shall occur at 7:00 p.m. on the first (1st) Thursday in August, 2008. An annual meeting shall be held within each calendar year, commencing with the year in which the transfer of title occurs for the first lot to an Owner other than the Declarant, the Declarant’s successors or assigns. The Turnover Meeting may count as the annual meeting for the year in which it is held.

3.4 **Special Meetings.** A special meeting of the Association may be called at any time by the President or by a majority of the Board of Directors. A special meeting shall be called upon receipt of a written request stating the purpose of the meeting from members having at least thirty percent (30%) of the voting rights entitled to be cast at such meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice of meeting.

3.5 **Notice of Meeting.**

(a) Written or printed notice stating the place, day and hour of the meeting, the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, any proposal to remove a director or officer and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) or more than fifty (50) days before the date of the meeting. Such notice shall be given either personally or by mail, by or at the direction of the President, the Secretary, or the persons calling the meeting, to each member entitled to vote at such meeting and to all mortgagees who have requested such notice. Notices to Declarant shall be mailed. If mailed, such notices shall be deemed to be delivered when deposited in the United States mail, with postage fully prepaid thereon, addressed to the member at his or her most recent address as it appears on the records of the Association or to the mailing address of his or her Lot.

(b) When a meeting is adjourned for thirty (30) days or more, or when a redetermination of the persons entitled to receive notice of the adjourned meeting is required by law, notice of the adjourned meeting shall be given as for an original meeting. In all other cases, no notice of the adjournment or of the business to be transacted at the adjourned meeting need be given other than by announcement at the meeting at which such adjournment is taken.
3.6 **Quorum.** At any meeting of the Association members having at least twenty percent (20%) of the voting rights entitled to be cast at such meeting, present in person or by proxy, shall constitute a quorum, except when a larger quorum is required by the Declaration. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a member or members. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time not less than forty-eight (48) hours or more than thirty (30) days from the time the original meeting was called until a quorum is present. The quorum for the adjourned meeting shall be reduced to ten percent (10%) of the voting rights entitled to be cast at the meeting, present in person or by proxy.

3.7 **Voting Rights.** Voting rights within the Association shall be allocated as follows:

(a) **Residential Lots.** Each Lot shall be entitled to one vote.

(b) **Classes of Voting Membership.** The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to voting rights for each Lot owned computed in accordance with Section (a) above. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more voting rights be cast with respect to any Lot than as set forth in Section (a) above.

Class B. The Class B member shall be Declarant and shall be entitled to three times the voting rights computed under Section (a) for each Lot owned by Declarant. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) When one hundred percent (100%) of all the Lots in FOREST GLEN have been sold and conveyed to Owners other than a successor Declarant or a builder for development: or

(ii) At such earlier time as Declarant may elect in writing to terminate Class B membership.

3.8 **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 in such capacity, whether or not the same shall have been transferred to his or her name; provided that such person shall satisfy the Secretary that he or she is the executor, administrator, guardian or trustee, holding such Lot in such capacity. Whenever a Lot is owned by two or more persons jointly, according to the records of the Association, the vote or proxy 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 disagreement among the co-Owners, the vote of such Lot shall be disregarded completely in determining the proportion of votes given with respect to such matter, unless a valid court order establishes the authority of a co-Owner to vote.
3.9 **Tenants and Contract Vendors.** Unless otherwise expressly stated in the rental agreement or lease, all voting rights allocated to a Lot shall be exercised by the Owner. Unless otherwise stated in the contract, all voting rights allocated to a Lot shall be exercised by the vendee of any recorded land sale contract on the Lot.

3.10 **Absentee Ballots and Proxies.** A vote may be cast in person, by absentee ballot or by proxy. A proxy given by an Owner to any person who represents such Owner at meetings of the Association shall be in writing and signed by such Owner, and shall be filed with the secretary, at any time prior to or at the start of the meeting. 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 or to the Board of Directors if a vote is being conducted by written ballot in lieu of a meeting. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one year after its date unless the proxy specifies a shorter term. Every proxy shall automatically cease upon sale of the Lot by its Owner. An Owner may pledge or assign such Owner’s voting rights to a mortgagee. In such a case, the mortgagee or its designated representative shall be entitled to receive all notices to which the Owner is entitled under these Bylaws and to exercise the Owner’s voting rights from and after the time that the mortgagee shall give written notice of such pledge or assignment to the Board of Directors. Any first mortgagee may designate a representative to attend all or any meetings of the Association.

3.11 **Majority Vote.** The vote of a majority of the voting rights entitled to be cast by the members present or represented by absentee ballot or proxy, at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by law, by the Declaration, by the Articles of Incorporation, or by these Bylaws.

3.12 **Rules of Order.** Unless other rules of order are adopted by resolution of the Association or the Board of Directors, all meetings of the Association shall be conducted according to the latest edition of *Robert's Rules of Order*, published by Robert's Rules Association.

3.13 **Ballot Meetings.**

(a) At the discretion of the Board of Directors, any action that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every member who is entitled to vote on the matter; provided, however, that a ballot meeting may not substitute for the Turnover Meeting or, if a majority of the Lots are the principal residences of the occupants, for the annual meetings of the Association. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action.

(b) The Board of Directors shall provide Owners with at least ten (10) days’ notice before written ballots are mailed or otherwise delivered. If, at least three (3) days before written ballots are scheduled to be mailed or otherwise distributed, at least ten percent (10%) of the Owners petition the Board of Directors requesting secrecy procedures, a written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the Owner, and instructions for marking and returning the ballot. The notice shall state the general subject matter of the vote, the right of the Owners to request secrecy procedures, the date after which ballots may be distributed, the date and time by which any petition must be
received by the Board requesting secrecy procedures and the address where any petition must be received. Notwithstanding the applicable provisions of paragraph (c) of this section, written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

(c) If approval of a proposed action would otherwise require a meeting at which a certain quorum must be present and at which a certain percentage of total votes cast is required to authorize the action, the proposal will be deemed to be approved when the date for return of ballots has passed, a quorum of Lot Owners has voted, and the required percentage of approving votes has been received. Otherwise, the proposal shall be deemed to be rejected. If approval of a proposed action otherwise would require a meeting at which a specified percentage of Lot Owners must authorize the action, the proposal shall be deemed to be approved when the percentage of total votes cast in favor of the proposal equals or exceeds such required percentage. The proposal shall be deemed to be rejected when the number of votes cast in opposition renders approval impossible or when both the date for return of ballots has passed and such required percentage has not been met. Except as otherwise provided in paragraph (b) of this section, votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date they are entered.

(d) All solicitations for votes by written ballot shall state the number of responses needed to meet any applicable quorum requirement and the total percentage of votes needed for approval. All such solicitations for votes shall specify the period during which the Association will accept written ballots for counting, which period shall end on the earliest of (i) the date on which the Association has received a sufficient number of approving ballots to pass the proposal, (ii) the date on which the Association has received a sufficient number of disapproving ballots to render the proposal impossible of passage, or (iii) a date certain by which all ballots must be returned to be counted. A written ballot may not be revoked.

ARTICLE 4.
BOARD OF DIRECTORS & MEETINGS

4.1 **Number and Qualification.** The affairs of the Association shall be governed by a Board of Directors of three (3) persons. All directors, other than interim directors appointed by Declarant, shall be Owners or co-Owners of Lots. For purposes of this section, the officers of any corporate Owner, the members of any limited liability company and the partners of any partnership shall be considered co-Owners of any Lots owned by such corporation or partnership.

4.2 **Interim Directors.** Upon the recording of the Declaration, Declarant shall appoint an interim board of one (1) to three (3) directors, who shall serve until replaced by Declarant or until their successors have been replaced by the Owners as provided below.

4.3 **Transitional Advisory Committee.** Unless the Turnover Meeting has already been held, Declarant shall call a meeting of the Owners for the purpose of forming a Transitional Advisory Committee. The meeting shall be called within sixty (60) days after the date Declarant conveys fifty percent (50%) or more of the Lots then existing in FOREST GLEN to Owners other than a successor Declarant. The committee shall consist of two (2) or more
Owners elected by the Owners other than Declarant and not more than one (1) representative of Declarant. The members shall serve until the Turnover Meeting. The Transitional Advisory Committee shall be advisory only, and its purpose shall be to enable ease of transition from administrative control of the Association by Declarant to control by the Owners. The committee shall have access to any information, documents and records that Declarant must turn over to the Owners at the time of the Turnover Meeting. If Declarant fails to call the meeting to elect a Transitional Advisory Committee within the time specified, the meeting may be called and notice given by any Owner. If the Owners fail to elect a Transitional Advisory Committee at the meeting called for such purpose, Declarant shall have no further obligation to form the committee.

4.4 Election and Tenure of Office.

(a) At the Turnover Meeting, the interim directors shall resign and the members shall elect three (3) directors, two (2) to serve for two (2) years and one (1) to serve for one (1) year. The two nominees receiving the greatest number of votes shall serve for two (2) years. In the event of a tie, term selection shall be by random means. Thereafter the successors to each director shall serve for terms of two (2) years each.

(b) Upon a majority vote of the voting rights entitled to be cast by the members present or represented by absentee ballot or proxy at a meeting or ballot meeting at which a quorum is present, the Board of Directors may be increased from three (3) directors to five (5) directors. At the next annual meeting or a special meeting called for such purpose, two (2) additional directors shall be elected, one (1) to serve for a two-year term and one (1) to serve for a one-year term. Term selection shall be in the same manner as provided in paragraph (a) above.

(c) All directors shall hold office until their respective successors shall have been elected by the members. Election shall be by plurality.

4.5 Vacancies.

(a) A vacancy in the Board of Directors shall exist upon the death, resignation or removal of any director, or if the authorized number of directors is increased, or if the members fail at any annual or special meeting of members at which any director or directors are to be elected to elect the full authorized number of directors to be voted for at that meeting. Vacancies in interim directors shall be filled by Declarant.

(b) Vacancies in the Board of Directors, other than interim directors, maybe filled by a majority of the remaining directors even though less than a quorum, or by a sole remaining director. Each director so elected shall hold office for the balance of the unexpired term and until his or her successor is elected.

4.6 Removal of Directors. All or any number of the directors, other than interim directors, may be removed, with or without cause, at any meeting of members at which a quorum is present, by a vote of a majority of the number of votes entitled to be cast at an election of directors. No removal of a director shall be effective unless the matter of removal was an item on the agenda and stated in the notice of the meeting as provided in these Bylaws.
4.7 **Powers.** The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law, or by the Declaration, or by these Bylaws may not be delegated to the Board of Directors by the Owners. The Board of Directors may delegate responsibilities to committees or a managing agent, but shall retain ultimate control and supervision. The powers and duties to be exercised by the Board of Directors shall include any provisions in the Declaration, the Oregon Planned Community Act, the Oregon Non-Profit Corporation Act, and the following:

(a) Carry out the program for maintenance, upkeep, repair, and replacement of any property required to be maintained by the Association as described in the Declaration and these Bylaws.

(b) Determine the amounts required for operation, maintenance and other affairs of the Association, and the making of such expenditures.

(c) Prepare a budget for the Association, and assessment and collection of the Assessments.

(d) Employ and dismiss such personnel as may be necessary for such maintenance, upkeep and repair.

(e) Employ legal, accounting or other personnel for reasonable compensation to perform such services as may be required for the proper administration of the Association; provided, however, the Board may not incur or commit the Association to incur legal fees in excess of $5,000 for any specific litigation or claim matter unless the Owners have enacted a resolution authorizing the incurring of such fees by a vote of seventy-five percent (75%) of the voting rights present in person or by absentee ballot or proxy at a meeting at which a quorum is constituted. This limitation shall not be applicable to legal fees incurred in defending the Association or the Board of Directors from claims or litigation brought against them. The limitation set forth in this paragraph shall increase by $500 on each fifth anniversary of the recording of the Declaration. To the extent required by the Oregon Planned Community Act, the Board shall notify the Owners before instituting litigation or administrative proceedings. With regard to any pending litigation involving the Association, the Board shall periodically report to the Lot Owners as to the status (including settlement offers), progress, and method of funding such litigation. Nothing in this paragraph shall be construed as requiring the Board to disclose any privileged communication between the Association and its counsel.

(f) Open bank accounts on behalf of the Association and designating the signatories required.

(g) Prepare and file, or cause to be prepared and filed, any required income tax returns or forms for the Association.

(h) Purchase Lots at foreclosure or other judicial sales in the name of the Association or its designee.

(i) Sell, lease, mortgage, vote the votes appurtenant to (other than for the election of directors), or otherwise deal with Lots acquired by the Association or its designee. Obtain
insurance or bonds pursuant to the provisions of these Bylaws, and review such insurance
coverage at least annually.

(k) Make additions and improvements to, or alterations of, the Common Areas, or modify,
close, remove, eliminate or discontinue use of any common facility, including any
improvement or landscaping.

(l) From time to time adopt, modify, or revoke such rules and regulations governing the details
for the operation of the Association, the conduct of persons and the operation and use of the
Lots and Common Areas as the Board of Directors may deem necessary or appropriate to
ensure the peaceful and orderly use and enjoyment of the Property. Such action may be
overruled or modified by vote of not less than seventy-five percent (75%) of the voting rights
of each class of members present, in person or by proxy, at any meeting, the notice of which
shall have stated that such modification or revocation of rules and regulations will be under
consideration.

(m) Enforce by legal means the provisions of the Declaration, these Bylaws, Oregon statutes,
and any rules and regulations adopted hereunder.

(n) In the name of the Association, maintain a current mailing address of the Association, file
annual reports with the Oregon Secretary of State, and maintain and keep current the
information required to enable the Association to comply with ORS 94.670(7).

(o) Enter into management agreements with professional management firms and delegate
such business and record keeping functions as may be appropriate to said
management firm.

4.8 Meetings.

(a) Meetings of the Board of Directors shall be held at such place as may be designated from
time to time by the Board of Directors or other persons calling the meeting.

(b) Annual meetings of the Board of Directors shall be held within thirty (30) days following
the adjournment of the annual meetings of the members.

(c) Special meetings of the Board of Directors for any purpose or purposes may be called at
any time by the President or by any two directors.

(d) Unless other rules of order are adopted by resolution of the Association or the Board of
Directors, all meetings of the Board of Directors shall be conducted according to the latest

4.9 Open Meetings.

(a) All meetings of the Board of Directors shall be open to Owners except that, in the
discretion of the Board, the following matters may be considered in executive session: (i)
consultation with legal counsel concerning the rights and duties of the Association regarding
existing or potential litigation, or criminal matters; (ii) personnel matters, including salary
negotiations and employee discipline; (iii) negotiation of contracts with third parties; and (iv) collection of unpaid assessments. Except in the case of an emergency, the Board of Directors shall vote in an open meeting whether to meet in executive session. If the Board of Directors votes to meet in executive session, the presiding officer shall state the general nature of the action to be considered, as precisely as possible, when and under what circumstances the deliberations can be disclosed to Owners. The statement, motion or decision to meet in the executive session shall be included in the minutes of the meeting, and any contract or action considered in executive session shall not become effective unless the Board, following the executive session, reconvenes in open meeting and votes on the contract or action, which shall be reasonably identified in the open meeting and included in the minutes.

(b) Meetings of the Board of Directors may be conducted by telephonic communication or by other means of communication that allows all members of the Board participating to hear each other simultaneously or otherwise to be able to communicate during the meeting, except that if a majority of the Lots are principal residences of the occupants, then: (i) for other than emergency meetings, notice of each Board of Directors' meeting shall be posted at a place or places on the property at least three (3) days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform the Owners of such meeting; and (ii) only emergency meetings of the Board of Directors may be conducted by telephonic communication or such other means. The meeting and notice requirements of this Section may not be circumvented by chance or social meetings or by any other means.

4.10 Notice of Meetings.

(a) For other than emergency meetings, notice of Board of Directors meetings shall be posted at a place or places on the Property at least three (3) days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform Lot Owners of such meetings. Notice to Directors shall be considered sufficient if actually received at the required time, or if mailed, e-mailed or faxed not less than three (3) days before the meeting. Such notice shall be directed to the address shown on the Association's records, or to the director's actual address ascertained by the person giving the notice. Such notice need not be given for an adjourned meeting if such time and place is fixed at the meeting adjourned.

(b) Attendance of a director at a meeting shall constitute a waiver of notice of such meeting except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4.11 Quorum and Vote.

(a) A majority of the directors shall constitute a quorum for the transaction of business. A minority of the directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business.

(b) The action of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors unless a greater number is required by law, the Declaration, the Articles of Incorporation or these Bylaws.

(c) A director must be present at a meeting of the Board of Directors to cast a vote. No proxy
votes by directors for Board actions are permissible.

4.12 **Liability.** Neither a member of the Board of Directors nor an officer of the Association shall be liable to the Association, any Owner or any third party for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties so long as the individual acted in good faith, believed that the conduct was in the best interests of the Association, or at least was not opposed to its best interests, and in the case of criminal proceedings, had no reason to believe the conduct was unlawful. In the event any member of the Board of Directors or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall defend such individual against such claims and indemnify such individual against liability and expenses incurred to the maximum extent permitted by law. The managing agent of the Association, and its officers and employees, shall not be liable to the Association, the Owners or any third party on account of any action or failure to act in the performance of its duties as managing agent, except for acts of gross negligence or intentional acts, and the Association shall indemnify the managing agent and its officers and employees from any such claims, other than for gross negligence or intentional misconduct.

4.13 **Compensation.** No director shall receive any compensation from the Association for acting as such.

4.14 **Executive, Covenants and Other Committees.** Subject to law, the provisions of the Declaration and these Bylaws, the Board of Directors, may appoint an Executive Committee, an Architectural Review Committee (ARC) to be responsible for covenant enforcement as provided in Section 4.15 and such other standing or temporary committees as may be necessary from time to time consisting of Owners and at least one member of the Board of Directors and having such powers as the Board of Directors may designate. Such committees shall hold office at the pleasure of the Board.

4.15 **Enforcement Procedures.** The Association shall have the power, as provided in the Declaration, to impose sanctions for any violation of the Declaration, these Bylaws or the Rules and Regulations. To the extent specifically required by the Declaration, the Board of Directors shall comply with the following procedures prior to the imposition of sanctions:

(a) **Notice.** The Board of Directors or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator shall have fourteen (14) days to present a written request for a hearing before the Board of Directors or an ARC appointed by the Board of Directors, if any; and (iv) a statement that the proposed sanction may be imposed as contained in the notice unless a hearing is requested within fourteen (14) days of the notice.

(b) **Response.** The alleged violator shall respond to the notice of the alleged violation in writing within such fourteen (14) day period, regardless of whether the alleged violator is challenging the imposition of the proposed sanction. If the alleged violator cures the alleged violation and notifies the Board of Directors in writing within such fourteen (14) day period the Board of Directors may, but shall not be obligated to, waive the sanction. Such waiver shall not constitute a waiver of the right to sanction future violations of the same or other provisions.
by any person. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided, however, that the Board of Directors or ARC may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the fourteen (14) day period. Any response or request for a hearing shall be delivered to the Association's manager, President or Secretary, or as otherwise specified in the notice of violation.

(c) Proof of Notice. Prior to the effectiveness of sanctions imposed pursuant to this section, proof of proper notice shall be placed in the minutes of the Board of Directors or ARC, as applicable. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative requests and appears at the hearing.

(d) Hearing. If a hearing is requested within the allotted fourteen (14) day period, the hearing shall be held before the Board of Directors or the ARC, as applicable. The alleged violator shall be afforded a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing (i.e., the decision) and the sanction, if any, to be imposed.

(e) Appeal. Following a hearing before the covenants committee, if applicable, the violator shall have the right to appeal the decision to the Board of Directors. To exercise this right, the violator must deliver a written notice of appeal to the Association's manager, President or Secretary within ten (10) days after the hearing date.

(f) Enforcement Policies. The Board of Directors, by resolution, may adopt additional policies and procedures governing enforcement of the Declaration, these Bylaws or the Rules and Regulations.

ARTICLE 5
OFFICERS

5.1 Designation and Qualification. The officers of the Association shall be the President, the Secretary, and the Treasurer, as the Board of Directors shall from time to time appoint. Each officer shall be a member of the Board of Directors. The offices of Treasurer and Secretary may be held by the same person.

5.2 Election and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board to serve for one (1) year and until their respective successors are elected. If any office shall become vacant by reason of death, resignation, removal, disqualification or any other cause, the Board of Directors shall elect a successor to fill the unexpired term at any meeting of the Board of Directors.

5.3 Removal and Resignation.

(a) Any officer may be removed upon the affirmative vote of a majority of the directors whenever, in their judgment, the best interests of the Association will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed.

PAGE 11- FOREST GLEN HOMEOWNERS' ASSOCIATION, INC. ---BYLAWS - AUGUST 13, 2007
(b) Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Association. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective, provided, however, that the Board of Directors may reject any postdated resignation by notice in writing to the resigning officer. The effectiveness of such resignation shall not prejudice the contract rights, if any, of the Association against the officer so resigning.

5.4 **President.** The President shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors, have powers of general supervision, direction and control of the business and affairs of the Association. He or she shall preside at all meetings of the members and of the Board of Directors. He or she shall be an ex officio member of all the standing committees, including the executive committee, if any, shall have the general powers and duties of management usually vested in the office of president of a nonprofit corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

5.5 **Secretary.**

(a) The Secretary shall keep or cause to be kept a book of minutes of all meetings of directors and members showing the time and place of the meeting, whether it was regular or special, and if special, how authorized, the notice given, the names of those present at directors' meetings, the number of memberships present or represented at members' meetings and the proceedings thereof.

(b) The Secretary shall give or cause to be given such notice of the meetings of the members and of the Board of Directors as is required by these Bylaws or by law. The Secretary shall keep the seal of the Association, if any, and affix it to all documents requiring a seal, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

(c) In the absence or disability of the President, the President's duties and powers shall be performed and exercised by the Secretary.

5.6 **Treasurer.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts and disbursements. The books of accounts shall at all reasonable times be open to inspection by any director. The Treasurer shall deposit or cause to be deposited all moneys and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. The Treasurer shall disburse or cause to be disbursed the funds of the Association as may be ordered by the Board, shall render to the President and directors, whenever they request it, an account of all the Treasurer's transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

5.7 **Compensation of Officers.** No officer who is a member of the Board of Directors shall
receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the members. The Board of Directors may fix any compensation to be paid to other officers.

ARTICLE 6.
ASSESSMENTS, RECORDS AND REPORTS

6.1 Assessments. As provided in the Declaration, the Association, through its Board of Directors, shall do the following:

(a) Assess and collect from every Owner Assessments in the manner described in the Declaration.

(b) Keep all funds received by the Association as Assessments, other than reserves described in the Declaration, in the Operations Fund and keep all reserves collected pursuant to the Declaration in the Reserve Fund and use such funds only for the purposes described in the Declaration.

(c) From time to time, and at least annually, prepare a budget for the Association, estimating the common expenses expected to be incurred with adequate allowance for reserves based upon the reserve study required by the Declaration, and determine whether the Annual Assessment should be increased or decreased. Within thirty (30) days after adopting a proposed annual budget, the Board of Directors shall provide a summary of the budget to all Owners. If the Board of Directors fails to adopt a budget, the last adopted annual budget shall continue in effect.

(d) Fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period. Written notice of any Assessment shall be sent to every Owner subject thereto and to any first mortgagee requesting such notice. The due dates shall be established by the Board of Directors, which may fix a regular flat Assessment payable on a monthly, quarterly, semiannual or annual basis. The Board of Directors shall cause to be prepared a roster of the Lots showing Assessments applicable to each Lot. The roster shall be kept in the Association office and shall be subject to inspection by any Owner or mortgagee during regular business hours. Within ten (10) business days after receiving a written request, and for a reasonable charge, the Association shall furnish to any Owner or mortgagee a recordable certificate setting forth the unpaid Assessments against such Owner's Lot. Such certificate shall be binding upon the Association, the Board of Directors, and every Owner as to the amounts of unpaid Assessments.

(e) Enforce the Assessments in the manner provided in the Declaration.

(f) Keep records of the receipts and expenditures affecting the Operations Fund and Reserve Fund and make the same available for examination by members and their mortgagees at convenient hours, maintain an Assessment roll showing the amount of each Assessment against each Owner, the amounts paid upon the account and the balance due on the Assessments, give each member written notice of each Assessment at least 30 days before the time when such Assessments shall become due and payable; and for a reasonable charge, promptly provide any Owner or mortgagee who makes a request in writing with a
written certificate of such Owner’s unpaid Assessments.

6.2 **Records.** The Association shall keep within the State of Oregon correct and complete financial records sufficiently detailed for proper accounting purposes, keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and retain all documents, information and records turned over to the Association by Declarant. All documents, information and records delivered to the Association by Declarant pursuant to ORS 94.616 and other records of the Association shall be kept within the State of Oregon for the time periods specified in ORS 94.670.

6.3 **Statement of Assessments Due.** The Association shall provide, within ten (10) business days after receipt of a written request from an Owner or mortgagee, a written statement that provides: (a) the amount of assessments due from the Owner and unpaid at the time the request was received, including regular and special assessments, fines and other charges, accrued interest, and late-payment charges; (b) the percentage rate at which interest accrues on assessments that are not paid when due; and (c) the percentage rate used to calculate the charges for late payment or the amount of a fixed-rate charge for late payment. The Association is not required to comply with this section if the Association has commenced litigation by filing a complaint against the Owner and the litigation is pending when the statement would otherwise be due.

6.4 **Inspection of Books and Records.** Except as otherwise provided in ORS 94.670(5), during normal business hours or under other reasonable circumstances, the Association shall make reasonably available for examination and, upon written request, available for duplication, by Owners, lenders, and holders of any mortgage of a Lot that make the request in good faith for a proper purpose, current copies of the Declaration, Articles, Bylaws, Rules and Regulations, amendments or supplements to such documents and the books, records, financial statements and current operating budget of the Association. The Association shall maintain a copy, suitable for purposes of duplication, of each of the following: (a) the Declaration, these Bylaws, the Rules and Regulations and any amendments or supplements to them, (b) the most recent financial statement of the Association, and (c) the current operating budget of the Association. The Association, within ten (10) business days after receipt of a written request by an Owner, shall furnish copies of such documents to the requesting Owner. Upon written request, the Association shall make such documents, information and records available to such persons for duplication during reasonable hours. The Board of Directors, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of Association records and the imposition of a reasonable fee for furnishing copies of such documents, information or records. The fee may include reasonable personnel costs for furnishing the documents, information or records.

6.5 **Payment of Vouchers.** The Treasurer or managing agent shall pay all vouchers for all budgeted items and for any non-budgeted items, up to $1,000 signed by the President, managing agent, manager or other person authorized by the Board of Directors. Any voucher for non-budgeted items in excess of $1,000 shall require the authorization of the President or a resolution of the Board of Directors.
6.6 **Execution of Documents.** The Board of Directors may, except as otherwise provided in the Declaration, Articles of Incorporation, or these Bylaws, authorize any officer or agent to enter into any contract or execute any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement, to pledge its credit, or to render it liable for any purpose or for any amount.

6.7 **Reports and Audits.** An annual financial statement consisting of a balance sheet and an income and expense statement for the preceding year shall be rendered by the Board of Directors to all Owners and to all mortgagees who have requested the same within ninety (90) days after the end of each fiscal year. Commencing with the fiscal year following the Turnover Meeting, if the Annual Assessments exceed $75,000 for the year, then the Board of Directors shall cause such financial statements to be reviewed within 180 days after the end of the fiscal year by an independent certified public accountant licensed in Oregon in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants, or if the Annual Assessments are $75,000 or less, shall cause such review within 180 days after receipt of a petition requesting such review signed by at least a majority of owners. The Board of Directors need not cause such a review to be performed if so directed by an affirmative vote of at least sixty percent (60%) of the Owners, not including votes of Declarant with respect to Lots owned by Declarant. From time to time, the Board of Directors, at the expense of the Association, may obtain an audit of the books and records pertaining to the Association and furnish copies thereof to the members. At any time any Owner or holder of a mortgage may, at their own expense, cause an audit or inspection to be made of the books and records of the Association.

### ARTICLE 7.
**INSURANCE**

7.1 **Types of Insurance.** 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 Operations Fund, the following insurance:

(a) **Property Damage Insurance.** (i) The Association shall maintain a policy or policies of insurance covering loss or damage from fire, with standard extended coverage and "all risk" endorsements, and such other coverage as the Association may deem desirable. (ii) The amount of the coverage shall be for not less than one hundred percent (100%) of the current replacement cost of the improvements on the Common Areas and Commonly Maintained Property (exclusive of land, foundation, excavation and other items normally excluded from coverage), subject to a reasonable deductible. (iii) The policy or policies shall include all fixtures and building service equipment to the extent that they are part of the Common Areas and all personal property and supplies belonging to the Association.

(b) **Liability Insurance.** (i) The Association shall maintain comprehensive general liability insurance coverage insuring the Declarant, the Association, the Board of Directors, and the managing agent, against liability to the public or to Owners and their invitees or tenants, incident to the operation, maintenance, ownership or use of the Common Areas, including
legal liability arising out of lawsuits related to employment contracts of the Association. There may be excluded from such policy or policies coverage of an Owner (other than as a member of the Association or Board of Directors) for liability arising out of acts or omissions of such Owner and liability incident to the ownership and/or use of the part of the Property as to which such Owner has the exclusive use or occupancy. (ii) Limits of liability under such insurance shall not be less than One Million Dollars ($1,000,000) on a combined single-limit basis, (iii) Such policy or policies shall be issued on a comprehensive liability basis and shall provide a cross-liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured.

(c) **Workers’ Compensation Insurance.** The Association shall maintain workers’ compensation insurance to the extent necessary to comply with any applicable laws.

(d) **Fidelity Insurance.** (i) The Board of Directors may cause the Association to maintain blanket fidelity insurance for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of, or administered by, the Association. In the event that the Association has retained a management agent, the Board of Directors may require such agent to maintain fidelity bonds for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The cost of such insurance, if any, shall be borne by the Association. (ii) The total amount of fidelity insurance coverage required shall be based upon the best business judgment of the Board of Directors. (iii) Such fidelity insurance shall name the Association as obligee and shall contain waivers by the insurance issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of “employees” or similar terms or expressions. The insurance shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days’ prior written notice to the Association.

7.2 **Insurance by Lot Owners.** Each Owner shall be responsible for obtaining, at his or her own expense, homeowner’s insurance covering the improvements on the Owner’s Lot and liability resulting from use or ownership of the Lot, unless the Association agrees otherwise. The insurance coverage maintained by the Association shall not be brought into contribution with the insurance obtained under this section by the Owners.

7.3 **Planned Community Act Requirements.** The insurance maintained by the Association shall comply with the requirements of the Oregon Planned Community Act, ORS 94.550 to 94.780.

**ARTICLE 8.**
**GENERAL PROVISIONS**

8.1 **Seal.** The Board of Directors may, by resolution, adopt a corporate seal.

8.2 **Notice.** All notices to the Association or to the Board of Directors shall be sent care of the managing agent or, if there is no managing agent, 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 members shall be sent to the member’s Home or to such other address as may have been designated by the member from time to time in writing to the Board of Directors.
8.3 Waiver of Notice. Whenever any notice to any member or director is required by law, the Declaration, the Articles of Incorporation, or these Bylaws, a waiver of notice in writing signed at any time by the person entitled to notice shall be equivalent to the giving of the notice.

8.4 Action Without Meeting. Any action that the law, the Declaration, the Articles of Incorporation or the Bylaws require or permit the members or directors to take at any meeting may be taken without a meeting or ballot meeting if a consent in writing setting forth the action so taken is signed by all of the members or directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the members or directors, shall be filed in the records of minutes of the Association.

8.5 Conflicts. These Bylaws are intended to comply with the Oregon Planned Community Act, the Oregon Nonprofit Corporation Law, the Declaration and the Articles of Incorporation. In case of any irreconcilable conflict, such statutes and documents shall control over these Bylaws.

ARTICLE 9.
AMENDMENTS TO BYLAWS

9.1 How Proposed. Amendments to these Bylaws shall be proposed by either a majority of the Board of Directors or by members holding at least thirty percent (30%) of the voting rights entitled to be cast for such amendment. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken therefore or be attached to any request for consent to the amendment.

9.2 Adoption.

(a) A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the members and may be approved by the membership at a meeting called for such purpose, by a ballot meeting pursuant to Section 3.13, or by written consent of the members. Members not present at the meeting considering such amendment may express their approval in writing or by proxy. Any resolution must be approved by members holding a majority (at least 50%) of the voting rights, together with the written consent of the Class B member, if any. Amendment or repeal of any provision of these Bylaws that is also contained in the Declaration must be approved by the same voting requirement for amendment of such provision of the Declaration.

(b) Notwithstanding the provisions of the preceding paragraph, until the Turnover Meeting has occurred, Declarant shall have the right to amend these Bylaws in order to comply with the requirements of the Federal Housing Administration, the United States Department of Veterans Affairs, the Farmers Home 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 corporation wholly owned, directly or indirectly, by the United States or the State of Oregon that insures, guarantees or provides financing for a planned community or lots in a planned community. After the Turnover Meeting, any such amendment shall require the approval of a majority of the voting rights of the Association, voting in person, by proxy, or by ballot, at a meeting or ballot meeting of the Association at which a quorum is represented.
9.3 Relationship to Declaration. If a provision required to be in the declaration under ORS 94.580 is included in these bylaws, the voting requirements for amending the declaration shall also govern the amendment of the provision in the bylaws.

9.4 Execution and Recording. An amendment shall not be effective until certified by the President and Secretary of the Association as being adopted in accordance with these Bylaws and ORS 94.625, acknowledged and recorded in the Deed Records of Yamhill County, Oregon.

FOREST GLEN Homeowners' Association, Inc.,
An Oregon Nonprofit Corporation

By: ____________________________
    Raymond J Kulback, Its President

STATE OF OREGON, )
                      ) ss.
County of Yamhill.    )

Dated: August 16, 2006.

This instrument was acknowledged before me on August 16, 2006, by Raymond J Kulback, as President of the FOREST GLEN Homeowners’ Association, Inc., and he acknowledged to me that he executed the same freely and voluntarily.

Before me:

__________________________
Notary Public for Oregon
My Commission Expires:
NONPROFIT ARTICLES OF INCORPORATION OF
FOREST GLEN HOMEOWNERS' ASSOCIATION, INC.

The undersigned natural person of the age of 18 years or more, acting as incorporator under
the Oregon Nonprofit Corporation Law, adopts the following Articles of Incorporation:

ARTICLE 1
The name of the corporation shall be FOREST GLEN Homeowners' Association, Inc. (the
"Corporation"), and its duration shall be perpetual.

ARTICLE 2
The purposes for which the Corporation is organized shall be to engage in any lawful activity
for which corporations may be organized under ORS Chapter 65. The primary purpose of the
Corporation shall be to serve as the governing body for FOREST GLEN, a planned community
located in McMinnville, Yamhill County, Oregon. The real property constituting FOREST GLEN
consists of Lots 1-44, inclusive, as set forth on the plat for FOREST GLEN, which was filed in the
Plat Records of Yamhill County, Oregon, on July 24, 2007, as Instrument No. 200716617. The lots
and tracts of FOREST GLEN are subject to the covenants, conditions, and restrictions set forth in
that certain Declaration of Covenants, Conditions, and Restrictions of FOREST GLEN, that was
recorded in the Deed Records of Yamhill County, Oregon, as Instrument No. 200718398 (the
"Declaration"). The Corporation shall be a mutual benefit corporation. The Corporation shall have
members. All owners of lots in FOREST GLEN shall be members of the Corporation, and there shall
be no other members.

ARTICLE 3
The address of the initial registered office of the Corporation shall be 735 NW Adams Street,
McMinnville, OR 97128, and the name of its initial registered agent at such address shall be
Raymond J Kulback. The initial principal office of the Corporation shall be, 735 NW Adams Street
McMinnville, OR 97128, and notices shall be sent to this address.

ARTICLE 4
The name and address of the incorporator of the Corporation is as follows:

Raymond J Kulback
735 NW Adams Street
McMinnville, OR 97128
ARTICLE 5

On dissolution or final liquidation of the Corporation, its assets shall be distributed to an unincorporated association of the same name or as otherwise permitted by applicable law.

ARTICLE 6

No director or uncompensated officer of the Corporation shall be liable to the Corporation or its members for conduct as a director or officer for any act or omission occurring after the date when these Articles are filed with the Oregon Secretary of State, except such release of liability shall not apply to the following: (a) any breach of the director's or officer's duty of loyalty to the Corporation or its members; (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) any unlawful distribution; (d) any transaction from which the director or officer derived an improper personal benefit; and (e) any act or omission in violation of ORS 65.361–65.367.

ARTICLE 7

The Corporation shall indemnify an individual made a party to a proceeding, because the individual is or was a Director, against liability incurred in the proceeding if (a) the conduct of the individual was in good faith; (b) the individual reasonably believed that the individual's conduct was in the best interests of the Corporation, or at least not opposed to its best interests; and (c) in the case of any criminal proceeding, the individual had no reasonable cause to believe the conduct of the individual was unlawful.

The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of no contest or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in this section.

The Corporation shall not indemnify a Director (a) in connection with a proceeding by or in the right of the Corporation in which the Director was adjudged liable to the Corporation; or (b) in connection with any other proceeding charging improper personal benefit to the Director in which the Director was adjudged liable on the basis that personal benefit was improperly received by the Director.

Indemnification permitted under this section in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with the proceeding.

ARTICLE 8

All amendments shall require the approval of the owners of lots of FOREST GLEN by the same percentage of vote required to amend the Declaration.
ARTICLE 9

I, the undersigned incorporator, declare under penalties of perjury that I have examined the foregoing and, to the best of my knowledge and belief, it is true, correct and complete.

IN WITNESS WHEREOF, Raymond J. Kulback has executed this instrument this day of August 30, 2007.

Forest Glen Homeowners Association, Inc.
An Oregon Limited Liability Company

By:  
Raymond J Kulback, Incorporator

STATE OF OREGON

SS.
County of Yamhill

This instrument was acknowledged before me on August 30, 2007, by Raymond J Kulback as incorporator of Forest Glen Homeowners Association, Inc., and he acknowledged to me that he executed the same freely and voluntarily.

Stacy Parker
Notary Public for Oregon
My commission expires: Aug 9, 2008
FOREST GLEN
A Re-Plat of Portions of Lots 7, 8 & 9 of FAIR-LAWN SUBDIVISION
and Block 5 and a Portion of Block 4 of FIR-GROVE
Located in the SW 1/4 of Section 20, T. 4 S., R. 4 W., W.M.,
S.F. Stagg Donation Land Claim No. 55
City of McMinnville, Yamhill County, OR
City of McMinnville File No. S 10–06

TRACT "A" — Tract "A" is a private street with tree islands, entryway
fencing, gates, and landscaping areas. It includes a variable
width utilities easement to benefit all lots, and is to be
owned and maintained by the Forest Glen Homeowner's
Association.

TRACT "B" — Tract "B" encompasses a water feature that is to be owned
and maintained by the Forest Glen Homeowner's Association.

TRACT "C" — Tract "C" encompasses a private park with its improvements
that is to be owned and maintained by the Forest Glen
Homeowner's Association.

TRACT "D" — Tract "D" encompasses a private park that is to be owned
and maintained by the Forest Glen Homeowner's Association.

TRACT "E" — Tract "E" encompasses a private park that is to be owned
and maintained by the Forest Glen Homeowner's Association.

By: Matt Dunkel & Assoc.
3115 Riverside Drive
McMinnville, Oregon 97128
Phone: 503-472-7904
Fax: 503-472-0978
Email: matt@dunkelassoc.com

REGISTERED PROFESSIONAL LAND SURVEYOR
OREGON No. 605
MATTHEW E. DUNKEL
A.A.S.
Registered 31 December 2007

Page 2 of 8
### Forest Glen

A Re-Plot of Portions of Lots 7.8 & 9 of Fair-Lawn Subdivision and Block 5 and a portion of Block 4 of Fair-Lawn Subdivision.

Located in the SW 1/4 of Section 20, T. 4 S., R. 4 W., W.M., S.F. String Donation Land Claim No. 55, City of McMinnville, Yamhill County, OR City of McMinnville File No. S 10-06

### Curves Along Private Drive (Tact A)

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<th>Delta Angle</th>
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---

By: Matt Dunkel & Assoc.  
3765 Riverdale Drive  
McMinnville, Oregon 97128  
Phone: 503-472-7604  
Fax: 503-472-5367  
Email: matt@mdkivassoc.com  
Renewed 31 December 2007
FOREST GLEN
A Re-Plot of Portions of Lots 7, 8 & 9 of FAIR-LAWN SUBDIVISION
and Block 5 and a Portion of Block 4 of FIR-GROVE
Located in the SW 1/4 of Section 20, T. 4 S., R. 4 W., W.M.,
S.F. Stagg Donation Land Claim No. 55
City of McMinnville, Yamhill County, OR
City of McMinnville File No. S 10-06

DECLARATION

KNOW ALL MEN BY THESE PRESENTS that FOREST GLEN PARTNERS, LLC, is
the owner of the lands, in fee, and, first FEDERAL SAVINGS AND LOAN
ASSOCIATION of McMinnville, an Oregon Corporation, is the lien holder
of the lands represented on the attached map and more particularly described
in the Surveyor's Certificate and have caused said lands to be plotted into
lots, tracts and easements as shown and noted on the attached map, and
do hereby dedicate for the public use forever all easements for the
purposes shown and noted on the attached map.

RAYMOND J. ELDRICK
Warden, FOREST GLEN PARTNERS, LLC

Acknowledgement

STATE OF OREGON
COUNTY OF YAMHILL

On this 14th day of July, 2007, personally appeared before me, Notary Public for the State of Oregon, THEODORE J. STEBER, Warden, FOREST GLEN PARTNERS, LLC, and that this Declaration was voluntarily signed and sealed by him in behalf of and pursuant to authority
of said corporation.

THEODORE J. STEBER
Warden, FOREST GLEN PARTNERS, LLC

Acknowledgement

STATE OF OREGON
COUNTY OF YAMHILL

On this 14th day of July, 2007, personally appeared before me, Notary Public for the State of Oregon, RANDELL S. HARDELL, Vice President, FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION of McMinnville, an Oregon Corporation, and that this Declaration was voluntarily signed and sealed by him in behalf of and pursuant to authority
of said corporation.

RANDELL S. HARDELL
Vice President, FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION of McMinnville

Acknowledgement

STATE OF OREGON
COUNTY OF YAMHILL

On this 14th day of July, 2007, personally appeared before me, Notary Public for the State of Oregon, MICHELLE GREGO, Vice President, FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION of McMinnville, an Oregon Corporation, and that this Declaration was voluntarily signed and sealed by him in behalf of and pursuant to authority
of said corporation.

MICHELLE GREGO
Vice President, FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION of McMinnville

NARRATIVE

The purpose of this survey is to subdivide the FOREST GLEN tract as
shown. This survey is based on the measurements and monuments
Set 1255, Set 1255 and a Boundary Survey for the preparation for this
plot. All parallel dimensions shown herein are from Set 1255
and have been reduced by the south line of this plot from the
line shown in Set 1255. There have been no lot adjustments with
tax lots 2800 and 2900 as shown.

SURVEYOR'S CERTIFICATE

I, Matt Dundalk, do hereby certify that I have correctly surveyed and
 filed the proposed plat as shown as FOREST GLEN, the
boundary of which is described as follows:

Beginning at the intersection of the north line and the north line
of lands described in deed from LAURA C. KNAPP, RUTH WARREN and PAUL C. WARREN to WAYNE M. WARREN
and ELAINE WARREN and recorded in Volume 83 Page 1780, Yamhill County
Deed Records, thence 59° 36’ 00” S. 20.31’ E. to the
line of said WARDEN tract to an iron pipe, thence continuing 59° 36’ 00” W. 3175.65’
along said north line to an iron pipe; thence 55° 15’ 30” E. 6.91’ along the
northerly line of said WARDEN tract to an iron rod on the northwest corner
of that tract of land described in said deed from DAVID M. GARRATZ to FOREST GLEN
PARTNERS, LLC, and recorded in Volume 83 Page 1780, Yamhill County
Deed Records; thence 59° 36’ 00” W. 280.50’ along the south line of said WARDEN tract to an iron rod on the
northwest corner of said tract; thence 54° 19’ 30” E. 13.81’ along the
north line of said tract to an iron rod at the beginning of a curve concave to the
west having a radius of 50.00 feet; thence southerly 42.07’ along said curve
(chord=5214.19’T. 141.17’T.) to an iron rod; thence 59° 36’ 00” W. 90.03’
to the northwest corner of Lot 168 of PLEASANT OAK MEADOWS; thence 59° 36’ 00” N.
444.42’ along the north line of said tract to an iron rod on the west
margin of PLEASANT OAK MEADOWS; thence 117.52’ along the south line of Lot 8 of FAIR-LAWN
SUBDIVISION, thence 59° 36’ 00” E. 117.52’ to the south line of said tract from
ROBERT S. MALOTT and CAROLYN MALOTT to ROBERT S. MALOTT and CAROLYN MALOTT
as Trustees of the ROBERT S. MALOTT and CAROLYN MALOTT Revocable Trust
and recorded in Instrument No. 200325627; thence 59° 36’ 00” W. 252.03’
to the southeast corner of said tract; thence 59° 36’ 00” S. 222.86’
along the east line of said tract to the south margin of said tract; thence 59° 36’ 00” E.
465.61’ along said south margin to the point of beginning.

MATT DUNDEAL

MATT DUNDEAL & Asoc.
3765 Walshe Drive
McMinnville, Oregon 97128
Phone: 503-412-7904
Fax: 503-412-7904
Email: matt@dundelandassoc.com

This is an exact copy of the original plat of FOREST GLEN.