COVENANTS, CONDITIONS AND RESTRICTIONS
HUNTERS MEADOW

These covenants and restrictions apply to all lots located in Hunters Meadow, Yamhill County, Oregon, (collectively a property, with individual parcels also referred to as a lot). They are enforceable by owners of the benefited properties, which are defined as lots affected.

The undersigned owners of all the real property included in Hunters Meadows, a Plat duly recorded 12/23/05, instrument number 200528902, Plat Records of Yamhill County, Oregon, adopt the following Covenants, Conditions and Restrictions for the purpose of enhancing and protecting the value, desirability and attractiveness of the benefited property described above.

These Covenants, Conditions and Restrictions shall constitute the Covenants to run with the land and shall be binding upon all persons having or acquiring a right, title and interest in the property or any part of the property, and shall inure to each owner of benefited property area and that owner's heirs, successors and assigns.

Parcel of land known as Tract D to be conveyed to the Homeowners Association by Declarant. The Homeowners Association will also own the easement rights created by the plat in favor of the Association. Each lot owner will be a member of the Homeowners Association by virtue of lot ownership and each lot owner or lessee will be governed and controlled by these Conditions, Covenants and Restrictions, the Declaration, Articles of Incorporation, Bylaws and rules and regulations of the Association and any amendments thereof. Voting rights of lot owners will be as provided in the Bylaws. All meetings of the Association, Board of Directors and Design Review Committees shall be conducted in accordance with such rules of order as may be adopted by the Board of Directors. A tie vote does not constitute a majority or approval of any motion or resolution.

1. GENERAL RESTRICTIONS
   1. Each lot owner will install water lines as necessary from Homeowners Association water main line to a City of Sheridan water meter to be set near the street.
   2. Lot owners are responsible for installation and maintenance of the section of the community sprinkler system which is on owner's lot.
3. Hunters Meadow Homeowners Association shall own, operate and maintain the off-site sanitary sewer to the point of connection with the public sewer line. There will be no additional sewer connections allowed on the private sewer line without prior written approval from the City of Sheridan.

4. Hunters Meadow Homeowners Association shall own, operate and maintain the water system facilities downstream of the master water meter adjacent to Lot 1 along Blair Street. Further, the Association shall be responsible for paying the entire water bill to the City of Sheridan.

5. Each owner is responsible for maintaining all landscaping within their lot. Lawns must be mowed on a regular basis during the spring/summer/fall growing season, edged, kept free of weeds and watered as necessary. If the landscaping is not properly maintained, Association may, but is not required to, after at least 10 days written notice, perform or have performed whatever landscape maintenance may be required and charge the Owner directly. All owners hereby grant permission to the Association to enter their Lots to perform such maintenance.

6. No lot owner will cause anything to be hung, displayed, or placed on any common property, nor otherwise change the appearance of any portion of the common property without the prior written consent of the board of directors. No clothes lines or similar devices and no "For Sale" or "For Rent" signs will be allowed on any part of the common property without the prior written consent of the board of directors, except that Declarant may post reasonable signs in reasonable places on the common property or any lot advertising any lot for sale or for rent.

7. Sidewalks, at least three feet wide, must be placed between the drive and/or street leading to the entrance door which faces the street.

8. Each lot, and its improvements, shall be maintained in a clean and attractive condition, in good repair, and in such fashion as not to create a fire hazard or nuisance.

2. **ENFORCEMENT**

1. These restrictions shall be for the protection and benefit of each of the property owners or occupants of any portion of the benefited property. Any such person shall have the right at law or in equity to enforce the restrictions. It is not implied nor at any time will Yamhill County be responsible for the enforcement of these restrictions.

2. These restrictions shall run with the land and shall be binding on the owner or tenant of any or all of the land and all persons claiming by, through or under them until ten years from the recording of this document at which time these covenants shall be automatically extended for successive periods of ten years. The owners of at least two-thirds (2/3) of the benefited properties may, at any time, agree in writing to change
these covenants in whole or part, and such agreement is effective when duly recorded in the Yamhill County real property records.

3. Invalidation of any of these covenants, restrictions, or conditions by court order, judgment or decree shall in no way affect any of the remaining provisions which shall continue to remain in full force and effect.

4. If a suit or action (including an arbitration) is filed to enforce any of the terms of this agreement, the prevailing party shall be entitled to recover from the other party, in addition to the costs and disbursements provided by statute, any sum which a court (or arbitration tribunal), including any appellate court, may adjudge reasonable as attorney fees. In addition, the Association shall be entitled to its reasonable attorney fees incurred in any enforcement activity taken to collect delinquent assessments, whether or not suit or action is filed.

5. Failure by either the Association or by any Owner or mortgagee to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of their right to do so thereafter.

Hunters Meadow

Declarant
Dean W. Pollman

STATE OF Oregon, County of Clackamas ss.

Dated: 4/11/07

On the 2 day of April, 2007, personally appeared Dean W. Pollman who, being first duly sworn, did say that he is the Declarant of Hunters Meadow, and has acknowledged said instrument to be his voluntary act and deed.

Before me: 04/02/07

Janet M. McLeod
Notary Public for Oregon

Notary Expires: 11/01/07

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IMPORTANT NOTICE: READ CAREFULLY

THIS DECLARATION CREATES ONGOING LOT OWNER OBLIGATIONS FOR PAYMENT OF PERIODIC HOMEOWNER ASSESSMENTS AND CHARGES, FOR COMMON AREA STREETS, WATERLINES, SEWER LINES, STORM DRAINS AND OTHER COMMON AREA MAINTENANCE, REPAIR AND REPLACEMENT, AS WELL AS HOMEOWNER ASSOCIATION EXPENSES WHICH IF UNPAID, MAY BECOME AN ENFORCEABLE LIEN AGAINST YOUR LOT IN HUNTERS MEADOW SUBDIVISION.

DECLARATION OF PLANNED COMMUNITY FOR HUNTERS MEADOW, LLC

WHEREAS, the undersigned Declarant desires to submit the real property hereinafter described and all easements and any other rights and appurtenances now existing or hereafter created on such property to the provisions, restrictions, and limitations of the Oregon Planned Community Act, ORS 94.550 through ORS 94.783;

NOW, THEREFORE, it is declared as follows:

1. Definitions. As used herein, the following terms are described as:

1.1 "Association" means Hunters Meadow Homeowners Association, Inc., an Oregon nonprofit corporation.

1.2 "Common Expenses" means expenses of administration, maintenance, repair or replacement of the common property, including deposits in the working capital fund and reserve fund, together with such expenses agreed upon as common by the Association in the manner provided in the Bylaws.
1.3 "Mortgage" means a recorded first mortgage, first trust deed or first contract of sale that creates a first lien against a Lot.

1.4 "Mortgagee" means the holder of a Mortgage who has notified the Association in writing of the existence of such Mortgage and gives the Association a current name and mailing address.

1.5 "Manager" means the person or firm, if any, hired by the Association's board of directors to be in charge of the administration of and to manage the Planned Community.

1.6 "Lot" means each lot shown on the Plat

1.7 "Plat" means the plat filed with the County pursuant to ORS 92.120.

1.8 "Unit" means a building or portion of a building located upon a Lot and designated for separate occupancy or ownership.

2. Name of the Planned Community. The name by which the Planned Community subject to this Declaration shall be known is "Hunters Meadow."

3. Real Property Description. This Declaration submits to the provisions, restrictions, and limitations of the Oregon Planned Community Act, a fee simple interest in the land situated in Yamhill County, and described on Exhibit "A" attached hereto. Each Owner shall hold fee simple title to the Lot when such property is conveyed to the Owner by the Declarant. Prior to such conveyance, the Declarant shall hold fee simple title to all Lots.

4. Common Property. The common property consists of Tract D as shown on the Plat.

5. Improvements. Declarant does not agree to build any improvements that do not exist as of the date of this Declaration.

6. Ownership of Common Property. The common property is owned by the Association.
7. Ownership of Lots. Each individual Lot shall be owned by the Lot owner and may be individually conveyed and encumbered and be the subject of ownership, possession, sale or other disposition and the individual titles and interest shall be recordable. Each Lot owner shall be entitled to the exclusive ownership, possession, and enjoyment of his Lot. Each Lot owner shall be subject to all the rights and duties assigned to Lot owners under the terms of this Declaration and the Bylaws. When there are unsold Lots, Declarant also enjoys the same rights and assumes the same duties as they relate to each individual unsold Lot.

8. Maintenance, Improvement, and Intended Use of Lots. Subject to the rights of Owners set forth in this Declaration, the Association shall be responsible for the exclusive management and control of the Common Property and any improvements thereon, and shall keep the same in good, clean, attractive and sanitary condition, order and repair, including, but not limited to, the removal of snow, trash and debris, the maintenance, cleaning and repair of the streets, parking areas, landscaped and un-landscaped land located on the Common Property. This obligation shall include, without limitation, the obligation for the maintenance, repair and replacement of water, sewer and storm water lines from the connection with the main service lines owned and maintained by the service provider to a point at the boundary of owner’s Lot. Lot owners shall make no repair or alteration or perform any other work on their Lot which would jeopardize the soundness or safety of the Planned Community, reduce the value thereof, impair any easement or hereditament or increase the Common Expenses of the Association, unless the consent of the board of directors and the consent of all other Lot owners affected is first obtained. In the event any Common Property is damaged or destroyed by an Owner or any of his or her guests, tenants, licensees, agents or members of his or her family in a manner that would subject such Owner to liability for such damage under Oregon law, such Owner does hereby authorize the Association to repair such damage; the Association shall repair damage in a good and workmanlike manner as originally constituted or as the area may be modified or altered subsequently by the Association in the discretion of the Association. The reasonable cost necessary for such repairs shall become a special assessment upon the Lot of the Owner who caused or is otherwise responsible for such damage. The Lots will be used only for residential use and related purposes.


9.1 Use. Each Lot owner has an easement through the common property for access to the owner's Lot and for use of the common property consistent with this Declaration and the Bylaws.
9.2 **Maintenance.** The necessary work to maintain, repair or replace the common property, including the roadways, storm water system, water system and the sewer system within the Planned Community, and additions or improvements to the common property, shall be the responsibility of the Association and shall be carried out as provided in the Bylaws and shall be a Common Expense. Notwithstanding anything contained in this Declaration to the contrary, any damage caused by the negligence or intentional act of a Lot owner, or his or her invitee, guest or servant, shall be repaired by the Association at such owner's sole cost and expense.

9.3 **Access.** The Association shall have the right, to be exercised by the board of directors or any Manager employed by the board of directors, to have access to each Lot as may be necessary for the maintenance, repair or replacement of the common property, to make emergency repairs therein necessary for the public safety, to prevent damage to the common property or to another Lot or to abate any nuisance existing on any Lot.

10. **Voting Rights.** Except as otherwise provided in section 24.2, each Lot shall be entitled to one vote.

11. **Bylaws; Association; Management.**

11.1 **Adoption of Bylaws.** On behalf of the Association, the Declarant hereby adopts the Bylaws attached hereto as Exhibit "B" to govern the administration of the Planned Community. The Bylaws shall be effective upon the execution and recording of the Bylaws and this Declaration.

11.2 **Association; Membership.** The name of the Association shall be Hunters Meadow Homeowner’s Association, Inc. Each owner of a Lot in the Planned Community shall be a member of the Association, and membership therein shall be limited to Lot owners only. The Association, which shall be organized upon the recording of the Declaration and the Bylaws, shall serve as a means through which the Lot owners may take action with regard to the administration, management and operation of the Planned Community. The Association shall be an Oregon nonprofit corporation. The Association shall operate under the name Hunters Meadow Homeowner’s Association, Inc., or as close to that name as is permitted by the Oregon Secretary of State.
11.3 Management; Board of Directors. The affairs of the Association shall be
governed by a Board of Directors as provided in the Bylaws. The Board of Directors shall
elect officers consisting of a chairman, secretary and treasurer and such other officers as
the Board of Directors deems prudent or convenient. Pursuant to the provisions of the
Bylaws and the Oregon Planned Community Act, the Board of Directors may adopt
administrative rules and regulations governing details of the operation, maintenance and
use of the common property. The Board of Directors may contract with a Manager to
manage some or all of the affairs of the Association.

11.4 Interim Board and Officers. The Declarant has reserved control over the
administration of the Association by reserving the right in the Bylaws to appoint an
interim Board of Directors to manage the Planned Community until the turnover meeting.
Unless Declarant elects to hold the turnover meeting earlier, the turnover meeting shall be
held within ninety (90) days after the date on which 90 percent of the Lots in the Planned
Community have been conveyed to persons other than the Declarant. The one (1) to three
(3) members of the interim board shall also serve as the interim officers.

11.5 Powers and Duties of the Association. The Association and the Board of
Directors shall have the powers and duties granted to them by this Declaration, any
applicable Supplemental Declaration, the Articles of Incorporation, the Bylaws, and ORS
94.630 and all other provisions of the Oregon Planned Community Act.

11.6 Covenant to Pay Assessments; Liability for Common Expense. Upon
the closing of the sale of each Lot to an Owner other than the Declarant, the new owner
shall contribute the sum of $100.00 as a one-time contribution to the reserve account of
the Association, together with such other sums as may be called for by the sales
agreement and Bylaws. Each owner hereby covenants to pay to the Association annual
and special assessments for common expenses as more fully provided in the Bylaws. No
owner may avoid liability for assessments by abandonment of his Lot or non-use of the
common property. Except as otherwise provided in this Declaration or the Bylaws, each
Lot and the owner thereof shall be liable for the common expense and funding of
replacement reserves on a per Lot basis. No offset against any assessment shall be
permitted for any reason, including, without limitation, any claim that the Association is
not properly discharging its duties. However, Declarant may defer payment of such
assessments until the date such expenses become due according to the terms of the
Bylaws. Declarant will pay all such amounts due within 30 days of the due date. In
addition to any other remedies provided by law, the Association may bring an action at
law against the Owner personally obligated to pay such assessments or foreclose a lien
upon the Property. No
such action or a judgment entered therein shall be a waiver of the lien of the Association. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Property or abandonment of his or her Lot. Unless the Board of Directors elects otherwise, the initial assessment for Common Expenses will be payable by Lots in developed phases, quarterly, at a rate of $75.00 per quarter, per lot, payable in advance, beginning on the date the first lot in the respective phase is sold by Declarant to an owner. The amount and frequency of payments may be changed at the discretion of the Board of Directors of the Association, as provided in the Bylaws.

11.7 Delegation. Nothing in this Declaration shall be construed to prohibit the Association or the Board of Directors from delegating to persons, firms or corporations of its choice the performance of such duties as may be imposed upon the Association or the Board of Directors by this Declaration, any Supplemental Declaration, the Articles of Incorporation, the Bylaws, Covenants, Conditions and Restrictions, Association rules or regulations, or applicable law.

11.8 Compliance With Bylaws and Other Restrictions. Each Lot owner shall comply with the Bylaws, the Covenants, Conditions and Restrictions, and with the administrative rules and regulations adopted pursuant thereto. Failure to comply therewith shall be grounds for an action maintainable by the Association or by an aggrieved Lot owner, in addition to other sanctions which may be provided by the Bylaws or by the administrative rules and regulations. Lot owners shall have similar rights of action against the Association.


12.1 The Association, pursuant to ORS 94.665, has the authority to sell, convey or subject to a security interest any portion or all of the Common Property if such action is approved by at least 80 percent of the votes of the Homeowner's Association, including at least 80 percent of the votes of Lots not owned by Declarant. Such sale, transfer or encumbrance of Common Property may provide that such property be released from any or all restrictions imposed on that property by the Declaration.

12.2 The Association has the authority to execute, acknowledge, deliver, and record leases, permits, easements, rights-of-way, licenses, and other similar interests affecting the common property for utilities, roads, and other purposes reasonably
necessary or useful for the maintenance or operation of the Planned Community. The granting of any interest under this Section 12.2 shall be first approved by at least 75 percent of the Lot owners. The instrument granting an interest pursuant to this Section 12 shall be executed and acknowledged by the President and Secretary, and shall state that such granting was approved by at least 75 percent of the Lot owners.

13. Receipts and Expenses.

13.1 Income and Expenses. All common profits derived from the common property shall be allocated to, and all Common Expenses shall be charged to, the Lot owners on a per-lot basis.

13.2 Reserves.

13.2.1 The Association will establish a reserve account for replacement of items of common property which will normally require replacement, in whole or in part, in more than 3 and less than 30 years. The reserve account need not include those items that could reasonably be funded from operating assessments.

13.2.2 The reserve account shall be funded by assessments against the Lots (as set out in section 11.6 above) and shall begin accruing from the date the first Lot assessed is conveyed by Declarant. Declarant may defer payment of the accrued assessment for a Lot until the date the Lot is conveyed by the Declarant.

13.2.3 The reserve account will be established in the name of the Association. The Association will adjust the amount of the assessments for the reserve account at least annually to reflect changes in current replacement costs over time. Pursuant to ORS 94.595(4), the board of directors annually will conduct a reserve study, or review and update an existing study, of the common property components to determine the reserve account requirements.

13.2.4 The reserve account may be used only for maintenance, repair and replacement of common property for which reserves have been established and is to be kept separate from other funds. The Association may borrow funds from the reserve account to the extent, such conduct would be prudent, pursuant to ORS 94.595(6).

13.2.5 Following the second year after the turn-over meeting, the Lot owners, on a 75% vote, may increase or decrease future assessments for reserves.

14.1 The board of directors shall have the authority and the duty to levy and enforce the collection of general and special assessments for Common Expenses. Whenever the Association levies any assessment for Common Expenses against a Lot, the Association, upon complying with this section, shall have a lien upon the individual Lot and the undivided interest in the common property appertaining to such Lot for the reasonable value of such Common Expenses allocable to such Lot and for any unpaid assessments and interest as provided in ORS 94.709 plus costs and reasonable attorney fees, and the lien shall be prior to all other liens or encumbrances upon the Lot, except:

14.1.1 Tax and assessments liens; and

14.1.2 A first Mortgage or trust deed of record.

14.2 Each assessment shall be a separate and personal debt and obligation of the Lot owner against whom the same is assessed at the time the assessment fell due and shall be collectible as such. Such personal obligation shall not pass as a personal obligation to successors in title unless assumed by them or required by law. The Association shall cause to be recorded in Yamhill County, Oregon, a notice of lien claim pursuant to ORS 94.709 (2) (a) with respect to any assessment which has not been paid within thirty (30) days from the mailing of the notice of assessment. The notice of lien claim may be filed at any time following the expiration of such 30-day period. The Association shall be entitled to recover, in any suit to foreclose or action to recover a money judgment for unpaid Common Expenses, interest on the delinquent assessment at the rate of 12 percent per annum and costs, including reasonable attorney fees in such suit or action or any appeal therefrom.

14.3 A lien for Common Expense assessments shall not be affected by any sale or transfer of a Lot, except that a sale or transfer pursuant to a foreclosure of a first Mortgage or trust deed or a deed in lieu of foreclosure to the extent permitted by ORS 94.723 shall extinguish a subordinate lien for assessments which become payable prior to such sale or transfer. Any such delinquent assessments which were extinguished pursuant to the foregoing provision may be reallocated and assessed to all Lots as a Common Expense. Any such sale or transfer pursuant to a foreclosure shall not relieve the purchaser or transferee of a Lot from liability for, nor the Lot from the lien of, an assessment made thereafter.
14.4 In case of foreclosure, the Lot owner shall be required to pay a reasonable rental for the Lot; and the plaintiff in the foreclosure suit shall be entitled to the appointment of a receiver to collect the rental, without regard to the value of the security. An action to recover a money judgment, together with reasonable attorney fees for unpaid Common Expenses, may be maintained without foreclosing or waiving the lien securing the claim for Common Expenses.

15. **Power of Planned Community Manager to Bid at Foreclosure Sale.** In any suit to foreclose a lien of the Association against a Lot, the board of directors or the Manager, acting on behalf of the Lot owners, shall have power to bid on the Lot at the foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. The board of directors or the Manager, acting on behalf of the Lot owners, may also bid on and acquire a Lot in any other foreclosure suit.

16. **Insurance.** The Association, by and through the board of directors, shall obtain and keep in effect at all times insurance coverage as specified in the Bylaws. The Association shall not be responsible for procuring any insurance covering any Lot or the Unit, furniture, fixtures, equipment or contents located on any Lot. The insurance obtained by the Association, by and through the board of directors, as required by this section, shall be a Common Expense.

17. **Damage or Destruction.** If a structure on a Lot is damaged or destroyed, the owner of the structure shall immediately proceed to rebuild, replace, or restore the building so damaged or destroyed in accordance with the Bylaws and Covenants, Conditions and Restrictions. If the structure owner fails to do so within a reasonable time, the Association shall be empowered to rebuild or replace the structure and charge the structure owner with all costs, expenses and fees incurred therein.

18. **Mortgagee Protection.** In the event of a conflict between this Section 18 and other provisions of this Declaration or any Supplemental Declaration, the provisions of this Section 18 shall prevail.

18.1 **Notice of Action.** Upon the written request of a Mortgagee to the Association, identifying the name and address of such Mortgagee and the Lot number or address of the Lot on which such Mortgagee holds a Mortgage, such Mortgagee shall be entitled to timely notice of the following:

18.1.1 Any condemnation loss or casualty loss that affects a material portion of the Planned Community or any Lot on which such Mortgagee holds, insures, or guarantees a Mortgage;
18.1.2 Any delinquency remaining uncured for sixty (60) or more days in the payment of assessments or charges owed by an owner of a Lot on which such Mortgagee holds, insures or guarantees a Mortgagee;

18.1.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

18.1.4 Any proposed action that would require the consent of a specified portion of Mortgagees, as set forth in this Section 18.

18.2 Subordination of Association Lien to Mortgage; Discharge of Lien Upon Foreclosure. The lien of the Association shall be subordinate to any first Mortgage and to other liens which have priority pursuant to the applicable law. Any Mortgagee that comes into possession of the Lot pursuant to the remedies provided in the Mortgage, by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure shall take the property free of any claims for unpaid assessments or charges against the mortgaged Lot which accrue before such Mortgagee comes into possession of the Lot (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Lots, including the mortgaged Lot).

18.3 Professional Management. After the turnover meeting and upon the written request of the Mortgage holders encumbering at least fifty-one percent (51%) of the Lots in the Planned Community, the Board of Directors shall employ a professional Manager to manage the affairs of the Association. Thereafter, the Association may not terminate professional management and assume self management of the Planned Community without the prior written approval of the holders of fifty-one percent (51%) of the first Mortgages on Lots in the Planned Community. Additionally, if professional management has been required previously by any Mortgagee, any such decision to establish self management shall require prior consent of the owners of Lots to which sixty-seven percent (67%) of the votes in the Association are allocated. Any agreement for professional management shall provide that the management contract may be terminated for cause on thirty (30) days' written notice.

18.4 Limited Right of Amendment. Except upon the approval of Mortgagees that hold fifty-one percent (51%) of the first Mortgages on Lots in the Planned Community, no amendment that adds to or amends any material provision that establishes, provides for, governs or regulates any of the following may be made to the Declaration or the Bylaws:
18.4.1 Voting;

18.4.2 Assessments, assessment liens or subordination of liens;

18.4.3 Reserves for maintenance, repair and replacement of the common property (or Lots, if applicable);

18.4.4 Rights to use of the common property;

18.4.5 Responsibility for maintenance and repair of the several portions of the Planned Community;

18.4.6 Boundaries of any Lot;

18.4.7 Leasing of Lots;

18.4.8 Imposition of any right of first refusal or similar restriction on the right of a Lot owner to sell, transfer or otherwise convey his or her Lot; and

18.4.9 The provisions of this paragraph are intended to limit only the right of Lot owners, the Board of Directors and the Association to amend the Declaration and the Bylaws and are not intended to give any such parties any specific rights to effect any amendments. Any amendments to the Declaration, or any Supplemental Declaration, or the Bylaws shall be made only upon full compliance with the provisions of the Declaration, the Bylaws and the Oregon Planned Community Act relating to the procedure and percentage of votes required for such amendment. An addition or amendment to the Declaration or the Bylaws shall not be considered to be material so as to require the consent or approval of Mortgagees, if its purpose is to correct technical errors or to clarify.

18.5 Request for Approval of Mortgagees. Any Mortgagee that receives a written request to approve additions or amendments to the Declaration or the Bylaws, or to any other action to be taken by the Board of Directors, the Association or Lot owners shall be considered to have given such approval unless such Mortgagee delivers or posts a negative response within thirty (30) days after receipt of such request.

18.6 Proxy Held by Mortgagee in Certain Cases. If a Mortgagee reasonably believes that the Association has failed to maintain the common property so as to prevent
excessive wear and tear, such Mortgagee may attend a meeting of the Association and may cast the vote of the mortgagor of the Lot on which such Mortgagee holds a Mortgage if the proposal under consideration concerns maintaining the common property, including imposing special assessments necessary to pay for such maintenance.

18.7 Right to Examine Documents. The Association shall make available to Lot owners, lenders and Mortgagees current copies of the Declaration, the Articles of Incorporation, the Bylaws, Covenants, Conditions and Restrictions, other rules concerning the Planned Community, and the books, records and financial statements of the Association. The Association shall have the right to impose a reasonable fee for supplying any copies requested by owners, prospective purchasers, lenders and Mortgagees.

18.8 Right to Receive Annual Reports. The holders of at least fifty-one percent (51%) of the Mortgages on Lots in the Planned Community shall be entitled to have an audited financial statement prepared at their expense if such statement is not otherwise available. The Association and its officers, directors and Manager (if any), shall cooperate with such Mortgage holders and their auditors to facilitate the necessary auditing and review process. Such financial statement shall be furnished within a reasonable time following request.

18.9 Right to Receive Written Notice of Meetings. Upon a Mortgagee's written request, the Association shall give all requesting Mortgagees written notice of all meetings of the Association, and such Mortgagees shall be permitted to designate a representative to attend all such meetings.

18.10 List of Mortgagees. The Association shall maintain at all times a list of Mortgagees, which list shall include their names, addresses, the Lots and mortgagors affected, and the matters with respect to which such Mortgagees have requested notice provided that such information has been furnished to the Association by the owners or their Mortgagees.

19. Declarant's Special Rights. The Declarant shall have the following special rights:

19.1 Sales Office and Model. The Declarant shall have the right to maintain sales and/or rental offices and/or sales or rental models on one or more of the Lots that
the Declarant owns. The Declarant, its agents and prospective purchasers shall have the right to park automobiles in any parking area on the common property and to use and occupy the sales and/or rental office and models during reasonable hours any day of the week.

19.2 "For Sale" and "For Rent" Signs. The Declarant may maintain a reasonable number of "For Sale" and/or "For Rent" signs at reasonable locations on the Planned Community property.

19.3 Declarant's Rental Rights. Declarant shall be entitled to rent any or all lots that it owns, on such terms and conditions as Declarant determines. Declarant shall take all steps reasonably necessary to assure compliance by its tenants with this Declaration, the Bylaws and all Rules and Regulations promulgated by the Association.

19.4 No Capital Assessments Without Consent. Neither the Association nor the Board of Directors shall make any assessments for new construction, capital improvements, acquisition or otherwise without the prior written consent of the Declarant, prior to the termination date or the turnover meeting. Nothing contained in this Section 19.4 shall be construed to limit the Declarant's obligation to pay assessments for Common Expenses on Lots owned by the Declarant pursuant to requirements of the Oregon Planned Community Act.

19.5 Common Property Maintenance by the Association. The Association shall maintain all common property in a clean and attractive condition. If the Association fails to do so, the Declarant may perform such maintenance at the expense of the Association.

19.6 Declarant's Easements. The Declarant and its agents and employees shall have an easement on and over the common property for the completion of any portion of the Planned Community and including the installation of a manufactured home and landscaping of any Lot, sales office or model, and the right to store materials on the common property at reasonable places and for reasonable lengths of time.

19.7 Declarant's Other Special Rights. The rights reserved to the Declarant in this Section 19 shall in no way limit any other special rights that the Declarant, as a Declarant, may have, whether pursuant to the Oregon Planned Community Act or otherwise. Upon the expiration of any or all such special rights, the Declarant shall have the same rights as any other owner in the Planned Community with respect to such ownership.
19.8 Assignment of Declarant's Rights. The Declarant shall have the right to assign any and all of its rights, including, without limitation, Declarant's special rights, as set forth in this Section 19, or to share such rights with one (1) or more other persons exclusively, simultaneously, or consecutively.

19.9 Expiration of Declarant's Special Rights. Unless otherwise provided, the Declarant's special rights, as reserved in this Section 19, shall expire upon the conveyance by the Declarant of the last Lot owned by the Declarant or two (2) years after the first conveyance of a Lot in the Planned Community, whichever is later.

20. No Restrictions on Alienation- Restrictions on Leasing.

20.1 Subject to section 20.2, the right of an owner to sell, transfer, or otherwise convey his Lot shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf.

20.2 Subject to Declarant's rights, all manufactured homes placed on Lots must be occupied by the owner of the manufactured home. Subject to Declarant's rights, in no event may any homeowner lease or rent any portion of a manufactured home even if the homeowner resides in another part of the manufactured home, unless such rental or lease is with the approval of the Declarant or Homeowner’s Association and in accordance with all other applicable rules and regulations.

21. Limits on Use of Lots and Common property. The Lots shall be used for the placement of a manufactured home and related structures and for residential purposes and related uses only. Nothing shall be done or kept in any Lot or in the common property which will increase the rate of insurance on the Planned Community without the prior written consent of the board of directors. No Lot owner shall permit anything to be done or kept in his Lot which will result in the cancellation of the insurance on any part of the Planned Community. The board of directors shall have the power to adopt rules and regulations for use of the common property, and there shall be no violation of such rules. No automobile maintenance or repair will be permitted on the common property.

22. Amendment.

22.1 Amendment by Declarant to Comply with federal Laws. The Declarant may, to the extent allowed under ORS 94.585, amend the Declaration and the initial Bylaws to comply with various federal and state laws and the requirements of various federal and state agencies.
22.2 Approval of Affected Lot Owners. Except as otherwise provided in the Oregon Planned Community Act, no amendment may change the method of determining allocation of common profits or liability for Common Expenses or the voting rights of any Lot as expressed in this Declaration, unless such amendment has been approved by the owners of the affected Lots, and such Lot owners shall record an amendment to this Declaration setting forth the altered allocation of each Lot owner having an interest.

22.3 Approval by Vote of Owners. Except as provided above, this Declaration may be amended consistent with the provisions of the Oregon Planned Community Act (in particular, ORS 94.590) by the affirmative vote of 75 percent of the voting rights at the annual meeting of the Association, or at any special meeting called for such purpose, or by written proxy or written consent of 75 percent of the voting rights. Voting rights are to be counted without regard to Declarant’s Special Voting rights created in Section 19 above. Such amendment shall be effective upon the recordation of an instrument executed and acknowledged by the President and Secretary of the Association with the Yamhill County Recording Officer, setting forth such amendment in full.

22.4 Approval of Mortgagees. An amendment of a material nature must also be approved by Mortgagees who represent at least 51 percent of the votes of Lots that are subject to Mortgagees held by Mortgagees. An amendment will be regarded as material if it is material under the applicable provisions of the FNMA Selling Guide.

22.5 Approval of Declarant. The Declarant’s prior written consent shall be required for any amendment to the Declaration prior to the time the turnover meeting is held. PROVIDED, HOWEVER, THAT EVEN THEREAFTER, NO AMENDMENT MAY LIMIT OR REDUCE ANY OF THE DECLARANT’S SPECIAL RIGHTS, WHETHER RESERVED HEREIN OR OTHERWISE PROVIDED BY LAW, INCLUDING, WITHOUT LIMITATION, THE RIGHT TO EXCLUSIVELY MAINTAIN AND OPERATE A RENTAL MANAGEMENT OFFICE.

23. Administrative Control. Until the date of conveyance to persons other than Declarant of 90 percent of the Lots:

23.1 Declarant may appoint and remove officers and members of the board of directors of the Association;

23.2 Declarant shall have three votes with respect to each Lot owned by Declarant, notwithstanding the provisions of Section 10;
23.3 Declarant shall have the right to exercise all the powers of the board of directors under this Declaration and the Oregon Planned Community Act, except that Declarant may not bind the Association, prior to passage of control, either directly or indirectly to contracts or leases, including a management contract, unless the Association is provided with a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control, upon not more than 90 days written notice to the other party thereto;


24.1 Interpretation. The rights and obligations of all members of the Association and any person dealing with the Association or any of its members with respect to matters pertaining to the Declaration, any Supplemental Declaration, the Articles of Incorporation, or the Bylaws shall be interpreted in accordance with and governed by the laws of the State of Oregon.

24.2 Severability. Each provision of the Declaration, any Supplemental Declaration, the Articles of Incorporation, and the Bylaws shall be independent and severable. The invalidity or partial invalidity of any section thereof shall not affect any of the remaining portions of that or any other provision of this Declaration or the Bylaws.

24.3 Waiver of Rights. The failure of the Association, the Board of Directors, an officer or a Lot owner to enforce any right, provision, covenant or condition provided in the Declaration, any Supplemental Declaration, the Articles of Incorporation, or the Bylaws shall not constitute a waiver of the right of any such party to enforce such right, provision, covenant or condition in the future.

24.4 Legal Proceedings. Failure to comply with any of the terms of the Declaration, any Supplemental Declaration, the Articles of Incorporation, the Bylaws and any rules or regulations adopted thereunder shall be grounds for relief, which may include, without limitation, fining the noncomplying owner, bringing an action to recover money due, damages or a suit for injunctive relief, or an action to foreclose a lien, or any combination thereof. Relief may be sought by the Association, Board of Directors, an officer, a professional Manager or management firm, or, if appropriate, by an aggrieved Lot owner.
24.5 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure by a Lot owner to comply with the terms and provisions of this Declaration (as amended or supplemented), the Bylaws (as amended), Articles of Incorporation, rules and regulations adopted under the Bylaws or the Oregon Planned Community Act, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorneys' fees as may be determined by the trial court in any trial or by the appellate court in any appeal thereof. In addition, the Association shall be entitled to recover costs and attorneys fees incurred by it to collect delinquent assessments, or fines or to enforce the terms, of the Declaration, Supplemental Declaration, Articles of Incorporation, Bylaws, or any rules or regulations promulgated thereunder, whether or not any collection or foreclosure action or suit is filed.

24.6 Compliance. Each Lot owner shall comply with the provisions of the declaration, any Supplemental Declaration and the Bylaws and with the administrative rules and regulations adopted thereunder, and with all other applicable covenants, conditions and restrictions of record. Failure to comply therewith shall be grounds for suit or action, maintainable by the Association or any Lot owner, in addition to other sanctions that may be provided by the Bylaws or by any existing administrative rules and regulations.

24.7 Conflicting Provisions. In the event of a conflict between or among the provisions of the Declaration, Articles of Incorporation, the Bylaws and any administrative rules and regulations, the provisions of the Declaration shall be paramount to those of the Bylaws and the rules and regulations, and those of the Articles of Incorporation shall be paramount to those of the Bylaws, and the Bylaws shall be paramount to the rules and regulations. For purposes of this Section 25.7, the term "Declaration" shall include all amendments and supplements to this Declaration, and the term "Bylaws" shall include all amendments to the Bylaws.

24.8 Section and Paragraph Captions. Section and paragraph captions shall not be deemed to be a part of this Declaration unless the context otherwise requires. In construing this Declaration, if the context so requires, the singular shall be taken to mean and to include the plural, the masculine shall be taken to mean and to include the feminine and the neuter and, generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to individuals, trusts, estates, personal representative, trustees and corporations.
IN WITNESS WHEREOF, the undersigned has executed this Declaration this
6 day of April, 2006.

HUNTERS MEADOW

By: ____________________________
    Declarant

STATE OF Oregon )
County of Washington ) ss.

This instrument was acknowledged before me on the 6 day of
2006 by Dean W. Hollman as a Declarant of Hunters Meadow.

Janet M. McCaslin
Notary Public
My Commission Expires 01/02/2012
BYLAWS FOR
HUNTERS MEADOW HOMEOWNERS ASSOCIATION


1.1 Lot Ownership. The real property located in Yamhill County, State of Oregon, known as Hunters Meadow, is submitted to the provisions of ORS 94.550 through 94.783, the Oregon Planned Community Act. The homeowners association will be known as Hunter's Meadow Homeowners Association.

1.2 Bylaws Applicability. The provisions of these Bylaws are applicable to the planned community, the association of Lot owners (hereinafter referred to as the "Association"), and the entire management structure thereof.

1.3 Personal Application. All present or future lot owners, tenants, future tenants, or their employees, or any other person that might use the facilities of the planned community in any manner, are subject to the provisions of these Bylaws. The acquisition, occupancy, or rental of any of the Lots, or the mere act of occupancy of any such Lots will constitute acceptance and ratification of these Bylaws and agreement to comply with all the provisions hereof.

1.4 Definitions. Except as otherwise provided herein, the terms used in these Bylaws shall have the meaning set forth in the Oregon Planned Community Act, as supplemented by the Declaration of Planned Community for Hunters Meadow Homeowners Association, and the statute and definitions are incorporated herein by this reference.
Article 2. Association Membership, Voting, Majority of Owners, Quorum, Proxies.

2.1 Membership in the Association. Membership in the Association is limited to Lot owners. A lot owner is defined as the holder of fee title to a lot. Upon recordation of a conveyance or contract to convey a Lot, the grantee or purchaser named in the conveyance or contract shall automatically be a member of the Association, and shall remain a member of the Association until the person's ownership ceases for any reason. For all purposes of the Declaration of Planned Community ("Declaration"), and the administration of the property, Lot ownership shall be determined, from the records maintained by the Association. The record shall be established by the Lot owner filing with the Association a copy of the deed to or land sale contract for his or her Lot, to which shall be affixed the certificate of the recording officer of the County of Yamhill, Oregon, showing the date and place of recording of such deed or contract. No person shall be recognized as a Lot owner unless a copy of the deed or contract has been filed with the Association as provided above showing him to be the current owner or contract purchaser of a Lot. Notwithstanding the foregoing, Declarant shall be the owner of all previously unsold Lots, although no deed or land sale contract with respect to such Lots has been filed with the Association.

2.2 Voting. Except as otherwise provided in the Declaration, the owner(s) of each Lot shall be entitled to one vote per Lot. The calling and conducting of meetings of the Association and the exercise of voting rights shall be controlled by Articles 2 and 3 of these Bylaws.

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

2.4 Quorum. The presence in person, by proxy, or by ballot of owners holding 50 percent or more of the outstanding votes, as defined in Section 2.2, shall constitute a quorum.

2.5 Proxies; Ballots. Votes may be cast in person, by proxy, or by written ballot. Proxies must be filed with the secretary before or during the appointed meeting. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice
calling the meeting. In the sole discretion of the board of directors, a meeting of the Association may be by ballot, rather than at a formal gathering. Ballots for such meeting must be properly executed and returned in sufficient quantity to constitute a quorum and/or to pass the proposal specifically propounded on the ballot. Unless withdrawn, a proxy given to another person to vote at a specific meeting shall also be valid at an adjourned meeting called under the provisions of Section 3.8.

2.6 Authority to Vote. All lot owners shall be entitled to vote, including those who have leased their premises to a third party. An owner’s right to vote may not be revoked. A purchaser under a land sale contract entitled to immediate possession of the Lot shall be deemed the owner thereof, unless otherwise provided in such contract.

2.7 Fiduciaries and Joint Owners. An executor, administrator, conservator, or trustee may vote, in person, by proxy, or ballot, at any meeting of the Association with respect to any Lot owned or held by him in such capacity, whether or not the same shall have been transferred to his name; provided that he or she shall satisfy the secretary that he or she is the executor, administrator, conservator, or trustee, holding such Lot in such capacity. Whenever any Lot is owned by two or more persons jointly according to the records of the Association, the vote of the Lot may be exercised by any one of the owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of the Lot shall be disregarded completely in determining the proportion of votes given with respect to such matter.

2.8 Actions by Association; Legal Meeting. Except as otherwise provided in the Declaration, these Bylaws or the Oregon Planned Community Act, decisions and resolutions of the Association shall require approval by a majority of owners present at any legal meeting. A legal meeting is one duly called pursuant to these Bylaws where a quorum is present in person, by proxy, or by ballot at a ballot meeting.

3.1 Association Responsibilities. The owners of the Lots constitute the members of the Association, known as Hunters Meadow Homeowners Association. The Association shall be an Oregon nonprofit corporation which will be responsible for approving the annual
budget, establishing and collecting monthly assessments, and arranging for the operation, management, and maintenance of the common property including negotiating and contracting with and supervising any person, persons, or business entity with respect to such matters. The association shall own, operate and maintain the off-site sanitary sewer to the point of connection with the public sewer line. There will be no additional sewer connections allowed on the private sewer line without prior written approval from the City of Sheridan. The association shall own, operate and maintain the water system facilities downstream of the master water meter adjacent to Lot 1 along Blair Street. In addition, the Association Will be responsible for paying the entire water bill to the City of Sheridan.

3.2 Place of Meetings. Formal meetings of the Association shall be held at such place as the board of directors may designate. The vote of a ballot meeting shall be determined by the board of directors within 48 hours of the deadline for return of ballots, or in the event the ballot return date is postponed, within 48 hours of the postponed date. Each Lot owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned, within 10 days after the ballots have been counted.

3.3 Turnover Meeting.

3.3.1 The turnover meeting (which shall constitute the initial organizational meeting) shall be held not later than 90 days following the conveyance to persons other than Declarant of 90 percent of all the Lots (in all phases), unless Declarant elects to hold such meeting earlier. The turnover meeting shall be called by notice to all Lot owners of the time, place, and purpose thereof not less than seven nor more than 50 days before the meeting. If such meeting is not called by Declarant within the time specified, the meeting may be called and notice given by a Lot owner.

3.3.2 At the turnover meeting, Declarant shall relinquish control of the administration of the Association and the Lot owners shall assume such control and the Lot owners shall elect a board of directors in accordance with the provisions of Article 4 of these Bylaws. Additionally, Declarant shall deliver to the Association those items specified in the Oregon Planned Community Act to be turned over by Declarant at the turnover meeting. In order to facilitate an orderly transition, during the 3-month period following the turnover meeting, Declarant or an informed representative shall be available to meet with the board of directors on at least three
mutually acceptable dates to review the documents delivered to the Association as required by the Oregon Planned Community Act and referred to above.

3.4 **Transitional Committee.**

3.4.1 Within not less than seven (7) nor more than fifty (50) days of conveyance to persons other than the Declarant of fifty percent (50%) of the Lots which the Declarant has reserved the right to develop in the Planned Community (unless the turnover meeting has been held), the Declarant shall call a meeting of the Lot owners for the purpose of forming a transitional committee in accordance with the Oregon Planned Community Act (ORS 94.604) and these Bylaws. The transitional committee shall be advisory only and shall consist of two (2) or more members selected by Lot owners other than the Declarant and may include not more than one (1) representative of the Declarant. The members shall serve until the turnover meeting.

3.4.2 The function of the transitional committee shall be that of enabling ease of transition from control of the administration of the Association by the Declarant to control by the Lot owners. The committee shall have access to the information, documents and records which the Declarant must turn over to the Lot owners under the Oregon Planned Community Act and Section 3.3.2 of these Bylaws.

3.4.3 The Declarant shall give notice of the meeting required under this Section 3.4 to each Lot owner at least seven (7), but not more than fifty (50), days prior to the meeting. The notice shall state the purpose of the meeting and the time and place where it is to be held. If such meeting is not called by the Declarant within the time specified, the meeting may be called and notice given by a Lot owner. If the owners, other than the Declarant, do not select members for the committee under this Section 3.4, the Declarant shall have no further responsibility to form the committee.

3.5 **Annual Meetings.** The first annual meeting of the Association shall be held in the calendar year following the calendar year in which the turnover meeting is held and shall be set by action of the board of directors. This meeting, at the discretion of the board of directors, may be changed from time to time, but must be held annually under the rules and regulations as set out in the Bylaws. At such meetings, new members of the board of directors shall be elected by the owners in accordance with the requirements of Section 4.6, to replace those directors whose terms have expired. The owners may also transact such other business of the Association as may properly come before them.
3.6 **Special Meetings.** It shall be the duty of the chairman to call a special meeting of the owners as directed by resolution of the board of directors or upon a petition signed by 40 percent or more of the owners having been presented to the secretary. All meetings called because of petition of Lot owners shall be held at a formal gathering and not by ballot, and shall be held within 60 days after receipt of the petition. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all the owners of the Lots or as otherwise set out in these Bylaws.

3.7 **Notice of Meetings.** It shall be the duty of the secretary to mail by first-class or certified mail or to hand-deliver a notice of each annual or special meeting, stating the purpose thereof and the time and place where it is to be held, to each owner of record at least 7, but not more than 50 days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. It shall be the duty of the secretary to hand-deliver or mail by first-class or certified mail written ballots for ballot meetings to each owner of record not less than 20 days before the date such ballots must be received by the Association in order to be counted. The mailing shall be to the owner's address last given to the secretary in writing by the Lot owner or his or her vendee. If Lot ownership is split or the Lot has been sold on a contract, notice shall be sent to a single address, of which the secretary has been notified in writing by such parties. If no address has been given to the secretary in writing, then mailing to the Lot shall be sufficient. The mailing of a notice in the manner provided in this section shall be considered notice served.

3.8 **Adjourned Meetings.** If any gathering of owners is not a legal meeting because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours nor more than 20 days from the time the original meeting was called. The board of directors may postpone the date for counting the ballots of a ballot meeting, in one or more postponements, for up to 90 days after the originally scheduled ballot return date if a quorum of ballots has not been returned and/or for matters on which a certain percentage approval is required and that vote has not been received nor have sufficient votes in opposition been received to negate such approval.

**Article 4. Board of Directors.**

4.1 **Number and Qualification.** The business and affairs of the Association shall be governed by a board of directors composed of between one and five persons, each of whom must be a Lot owner or the co-owner of a Lot.
4.2 **Powers and Duties.** In addition to the powers enumerated in ORS 94.640, the board of directors shall have the powers and duties necessary for the administration of the business and affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the owners, including but not limited to the following:

4.1.1 Care, upkeep, and supervision of the common property.

4.1.2 Establishing and maintaining replacement reserve accounts and other reserves that are required to be maintained by the Oregon Planned Community Act or these Bylaws and such other reserve accounts as are permitted by these Bylaws.

4.1.3 Designation and collection of regular assessments from the owners, in accordance with these Bylaws, the Declaration, and the Oregon Planned Community Act.

4.1.4 Establishing a budget for payment of all Common Expenses of the Association, and institution and maintenance of a system for such payment as may be reasonably necessary to prevent any misuse of Association funds.

4.1.5 Obtaining and maintaining insurance policies and payment of premiums therefore out of the common expense funds in respect to common property as more specifically provided in Article 8.

4.1.6 Designation and dismissal of the personnel necessary for the maintenance and operation of the Oregon Planned Community Act and the common property.

4.1.7 Causing the preparation and distribution of annual financial statements of the Association to each of the Lot owners as more specifically provided in Article 12.

4.1.8 Adoption and amendment of administrative rules and regulations governing the details of operation and use of the common property; provided, however, any such rules or regulations shall always be subject to rescission or
amendment by the Association upon majority vote of owners present at any properly called meeting at which a quorum is present.

4.1.9 Causing the Association to comply with ORS 94.670 relating to maintenance of documents delivered to the Association by Declarant and maintenance and distribution of financial statements. Also to maintain copies suitable for duplication of the following: Declaration, Bylaws, Association rules and regulations, if any, and any amendments thereto, the most recent annual financial statement, and the current operating budget of the Association.

4.2 Management Agent. The board of directors may employ a Manager, to be compensated in an amount established by the board, to perform such duties and services as the board shall authorize.

4.3 Interim Directors. Until the turnover meeting provided for herein, the board's rights, duties and functions shall be exercised by Declarant.

4.4 Election and Term of Office. At the turnover meeting of the Association, the term of office of two directors shall be fixed for two years. The term of office of one director shall be fixed at one year. At the expiration of the initial term of office of each respective director, his or her successor shall be elected to serve a term of two years. The directors shall hold office until their successors have been elected. At the turnover meeting, upon agreement by vote of the owners, the board of directors may be elected by a single ballot with each owner permitted to vote for three nominees. In that event, the two nominees receiving the highest number of votes shall be the two-year directors and the one nominee receiving the next highest number of votes shall be the one-year director.

4.5 Vacancies. Vacancies on the board of directors caused by any reason other than the removal of a director by a vote of the Association shall be filled for the balance of the term of each directorship by vote of a majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected upon expiration of the term for which the director who is being replaced was to serve.

4.6 Removal of Directors. At any legal annual or special meeting, other than a meeting by ballot, any one or more of the directors may be removed, with or without cause,
by a majority vote and a successor maybe then and there elected to fill the vacancy thus created. Any director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting. Any director who fails to attend three successive meetings of the board of directors which have been properly called, or who has failed to attend more than one-third of the board of directors meetings during a 12-month period which have been properly called, may be removed by a majority of the remaining directors.

4.7 Regular Meetings. A regular meeting of the board of directors shall be held immediately after and at the same place as the annual meeting of Lot owners. The board of directors may hold additional regular meetings at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings of the board of directors may be called by the chairman on three days' notice to each director, given personally or by mail, telephone, fax, or other similarly reliable method, which notice shall state the time, place (as provided above), and purpose of the meeting.

4.8 Special Meetings. Special meetings of the board of directors may be called by the chairman or secretary or on the written request of at least two directors. Special meetings of the board of directors may be called on three days' notice to each director, given personally or by mail, telephone, or fax, which notice shall state the time, place (as hereinabove provided), and purpose of the meeting.

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

4.10 Board of Directors' Quorum. At all meetings of the board of directors, a majority of the existing directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors shall be the acts of the board of directors. If at any meeting of the board of directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice provided a quorum is present.
4.11 Board of Directors Meetings Open to All Association Members. All meetings of the board of directors shall be open to all members of the Association. No Association member shall have a right to participate in the board of directors meetings unless the member is also a member of the board of directors. The chairman shall have authority to exclude any Association member who disrupts the proceedings at a meeting of the board of directors.

4.12 Notice to Association Members of Board of Directors Meetings. For other than emergency meetings, notice of board of directors meetings shall be posted at a place on the common property at least three days prior to the meeting or notice shall otherwise be provided to each member of the Association reasonably calculated to inform each member of such meetings. The posting of the notices shall be at a reasonable location which has been generally publicized to the Lot owners.

4.13 Telephonic Meetings. In the event of an emergency, telephonic meetings may be held by the board of directors. Such telephonic meetings shall be carried on by means of a "conference call" in which each director may speak with any of the other directors. The directors shall keep telephone numbers on file with the chairman to be used for telephonic meetings. No notice to either directors or Association members shall be required for a telephonic meeting of the board of directors to be held for any emergency action; provided, however, no such telephonic meeting shall occur unless an attempt has been made to call each director at the telephone number maintained on file with the board of directors for such purpose.

4.14 Compensation of Directors. No director shall be compensated in any manner, except for reasonable out-of-pocket expenses for attendance at meetings of the directors, unless such compensation is approved by vote of the Lot owners.

Article 5. Officers.

5.1 Designation. The principal officers of the Association shall be a chairman, a secretary, and a treasurer, all of whom shall be elected by the directors. The directors may appoint an assistant treasurer and an assistant secretary, and any such other officers as in their judgment may be necessary.
5.2 **Election of Officers.** The officers of the Association may be elected by the board of directors at the organizational meeting of each new board or any board meeting thereafter, and shall hold office at the pleasure of the board.

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

5.4 **Chairman.** The chairman shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the board of directors. He or she shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association. The chairman must be a director of the board.

5.5 **Secretary.** The secretary shall keep the minutes of all meetings of the board of directors and the minutes of all meetings of the Association; he or she shall have charge of such books and papers as the board of directors may direct; and he or she shall, in general, perform all the duties incident to the office of secretary.

5.6 **Treasurer.** The treasurer shall have responsibility for Association funds and securities not otherwise held by the managing agent, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the board of directors.

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

**Article 6. Obligations of the Owners.**

6.1 **Assessments.** All owners are obligated to pay monthly assessments imposed by the Association to meet all the Association's Common Expenses, which shall include premiums for insurance required or permitted under Article 8. The monthly assessment will be payable 1st of each month. The monthly assessment shall commence on the date the first lot is sold by
Declarant to an owner. Prior to such time, Declarant shall pay all operating expenses of the common property. All of the reserve accounts set up pursuant to these Bylaws shall be funded by allocation and payment from the monthly assessment of Lot owners. The assessment of all Lot owners who may be benefitted by expenditure of reserve funds may be increased as necessary, so the reserve fund in question can be maintained in an amount sufficient to meet the needs for which such fund was established. Unless the Board of Directors elects otherwise, the initial assessment will be payable monthly at a rate of $45.00 per month, per lot, payable in advance, beginning on the date the first lot is sold by Declarant to an owner. The amount and frequency of payments may be changed at the discretion of the Board of Directors of the Association.

6.2 Except as otherwise provided in the Declaration or these Bylaws, each Lot will be liable for the Common Expenses in equal proportion. However, no Lot will be liable for the Common Expenses of any undeveloped Phase. The Declarant, or the Homeowners Association, will be responsible for the common expenses, if any, of lots in undeveloped phases.

6.3 The monthly assessment of Lots shall include the following items, which shall be Common Expenses:

6.3.1 Expenses of administration.

6.3.2 Expenses of maintenance, repair or replacement of the common property. This shall include the costs to maintain the private water system, private storm water system and private sewage system.

6.3.3 Any deficit in Common Expenses for any prior period.

6.3.4 Utilities for the common property and other utilities and assessments with a common meter or commonly billed, such as water and sewer. Any assessments that are billed on a "Per lot" or "per connection" basis shall be passed through to each Lot on the same basis.

6.3.5 At the discretion of the board of directors, the expense of basic cable television service to all Lots, together with maintenance and repair expenses for such system and service.
6.3.6  Cost of insurance or bonds obtained in accordance with these Bylaws.

6.3.7  The cost of any professional management.

6.3.8  Legal, accounting, and other professional fees.

6.3.9  Any other items properly chargeable as an expense of the Association.

6.4  Reserve Items: A reserve account for the purpose of effecting replacements of common property which will normally require replacement in more than three years and less than 30 years. Payment into this account shall be deemed a contribution to capital improvement as and when payment into account is made. Pursuant to provisions of the Oregon Planned Community Act, Declarant has established a reserve account for replacement of such common property. The reserve account for replacement shall be funded by assessment against the same Lots that are assessed for the maintenance of the items for which the reserve account is established. Accordingly, the Reserve account for replacement of common property shall be funded by assessment against all owners. Lots, in equal proportion. However, no Lot will be liable for assessments for replacement of Common Property in undeveloped phases. No assessments will accrue against Lots in developed phases until the date the first Lot in its respective phase is conveyed.

Annually, the board of directors shall prepare a report, or update an existing report, which includes a schedule of the common property having a remaining useful life of more than three and less than 30 years, together with the current replacement cost of such common property. The amount of the periodic payments to the reserve account shall be adjusted annually to recognize changes in remaining useful lives and replacement costs over time. Except as otherwise provided in the Oregon Planned Community Act, the reserve account shall be used only for replacement of common property and shall be kept separate from accounts for maintenance.

6.4.1  In the discretion of the board of directors, a general operating reserve account by allocation and payment thereto monthly of an amount determined by the board of directors.
6.4.2 Other special reserve funds as may be set up by the directors by special assessments of the Lot owners who benefit thereby as may be required by the Declaration or otherwise determined by the Association to be appropriate.

6.4.3 Each reserve account shall be kept in an account with a safe and responsible depository, shall be accounted for separately, and, if invested, the obligation or security shall be fully guaranteed as to principal by the United States of America or one of its agencies.

6.4.4 Assessments paid into the reserve accounts are the property of the Association and are not refundable to sellers of Lots.

6.5 Initial and Subsequent Assessments for Reserve Items. The initial reserve assessment to Lot owners shall be determined by Declarant. The assessment shall thereafter be subject to review by the board of directors.

6.6 Special Assessments. The board of directors shall have the power to levy special assessments against an owner or all owners in the following manner for the following purposes:

6.6.1 To correct a deficit in the operating budget by vote of a majority of the board;

6.6.2 To collect amounts due to the Association from an owner for breach of the owner's obligations under the Declaration, these Bylaws, or the Association's rules and regulations, by vote of a majority of the board;

6.6.3 Upon vote of a majority of the board of directors, to make repairs or renovations to the common property if sufficient funds are not available from the operating budget or replacement reserve accounts; or

6.6.4 Pursuant to ORS 94.704, to make capital acquisitions, additions, or improvements, by vote of at least 75 percent of all votes allocated to Lots without regard to Declarants special voting rights created in the Declaration.

6.7 Declarant's Obligation for Assessments. From the date the first lot is sold by Declarant to an owner, Declarant shall:
6.7.1 Pay assessments due for operating common expenses described in Sections 6.1 to 6.3 above on all unsold Lots in each phase for which development has commenced; and

6.7.2 Pay assessments due for reserve items described in Section 6.4 above on all unsold Lots in each phase for which development has commenced, or, at Declarant's option, defer payment of the accrued assessment for a Lot until the earlier of the date the Lot is conveyed by Declarant or the date of the turnover meeting.

6.8 Budget; Income Tax Returns; Determination of Fiscal Year.

6.8.1 The fiscal year of the association shall be the calendar year unless otherwise determined by the board of directors.

6.8.2 The board of directors, in its sole discretion, shall determine the manner in which all necessary income tax returns are filed and of selecting any and all persons to prepare such tax returns.

6.8.3 At least 60 days before the beginning of each fiscal year, the board of directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair, and replacement of the common property, and the cost of wages, materials, insurance premiums, services, supplies, and other expenses that may be declared to be Common Expenses by the Oregon Planned Community Act, the Declaration or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance, and repair of the common property and the rendering to the Lot owners of all related services.

Such budget shall also include such reasonable amounts as the board of directors considers necessary to provide working capital and such general operating reserve accounts, contingency, and other reserve accounts as the board shall determine. The amount designated for replacement reserves shall be adjusted annually to reflect current replacement cost and remaining useful life. At least 30 days before the beginning of each fiscal year, the board of directors shall send to each Lot owner a copy of the budget in a reasonably itemized form that sets forth the amount of the Common Expenses and any special assessment payable by each Lot owner. Such budget shall constitute the basis for determining each Lot owner's assessment for the expenses of the Association.
6.8.4 The failure of the board of directors to timely prepare and/or to present a budget to the Lot owners shall not be cause for any owner to fail or refuse to pay assessments. Assessments shall continue, based on the last adopted or accepted budget, until a new budget is created and announced. Retroactive increases and/or special assessments may be made by the board of directors to make up for any deficiency.

6.8.5 If the board of directors fails to timely adopt a budget for a new fiscal year, Lot owners holding a majority of the votes of the entire Association, at any general or specially called meeting, may call such a budget, announce it to the Lot owners, and immediately commence assessments based on the newly adopted budget. Additionally, at any general or specially called meeting, Lot owners holding a majority of the votes of the entire Association may amend any budget adopted by the board of directors. Thereafter, assessments to Lot owners shall be based on the budget as so amended until a new budget is adopted in accordance with this Section 8.

6.9 Default. Failure by an owner to pay any assessment of the Association shall be a default by such owner of his or her obligations pursuant to these Bylaws and the Oregon Planned Community Act and, in addition to the Association's other remedies provided in the Declaration, these Bylaws shall entitle the Association to declare the balance of such owner's annual assessment otherwise being paid in installments to be immediately due and payable in full. Interest shall be charged on delinquent assessments at a rate as may be set by the board of directors, from time to time, not to exceed the lower of 18 percent per annum or the highest rate permitted by applicable law. Prior to the imposition of or change in the interest rate charged on delinquent assessments, the board of directors shall give 30 days' written notice to all owners.

In addition to the interest that may be charged on delinquent assessments, the board of directors, at its option, may impose a late penalty in respect to any assessment not paid within 10 days from the due date. The penalty may not exceed the sum of 10% of the delinquent assessment, but shall be imposed only once on each regular or special assessment or installment of such assessments.
The Association shall be entitled to a lien that may be enforced on compliance with the provisions of ORS 94.709. In any foreclosure suit by the Association with respect to the lien, the Association shall be entitled to collect reasonable rent from the defaulting owner for the use of his or her Lot or shall be entitled to the appointment of a receiver. Liability for all assessments, charges, interest, fees (including attorney fees), and other sums owing by the Lot owner pursuant to the Declaration, these Bylaws, the Oregon Planned Community Act, and rules and regulations of the Association shall be the personal obligation of the Lot owner and may be enforced by suit for a money judgment, in addition to all other remedies of the Association. Any default by the owner in any provisions of these Bylaws or of the Oregon Planned Community Act shall be deemed to be a default by the owner of any mortgage to which the owner is a party or to which the Lot is subject.

6.10 Maintenance and Repair. Every owner must perform promptly all maintenance and repair work within his or her own Lot, which if omitted would affect the common property or other Lots, and shall be responsible for the damages and liabilities that his or her failure to do so may cause.

6.10.1 All repairs of structures and internal installations on each Lot, such as water, lights, gas, power, sewage, telephones, air conditioners and sanitary installations, buildings, and all other accessories on the Lot area shall be at the sole expense of the owner of such structures and installments.

6.10.2 An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common property and/or facility damaged through his or her fault, not otherwise covered by insurance policies carried by the owner or the Association for the owner’s and Association’s benefit. In such circumstances, the insurance obtained by the owners shall be deemed the primary coverage.

6.11 Right of Entry: Encroachments: Easements for Maintenance. An easement is reserved to the Association in and through any Lot and the common property providing access at reasonable times and with reasonable notice for purposes of maintenance, repair, and replacement of the common property. If, in the process of such repair and maintenance by the Association, it is necessary to alter or damage any Lot or common property, such alterations or damages will be permitted without compensation, provided the Lot and/or
common property are promptly restored to substantially their prior condition by the Association.

6.11.1 If any portion of the common property encroaches on a Lot, or a Lot encroaches on any portion of the common property, a valid easement for the encroachment and for the maintenance of the same, as long as it stands, shall exist.

Article 7. Use and Occupancy Restrictions; Rules of Conduct.

7.1 Use as Private Dwelling Only. Each Lot will be occupied as a single-family private dwelling by its owner or permitted tenants, visitors, and guests, and for no other purpose. Subject to complying with applicable local ordinances and other restrictions of record, an owner may use his or her Lot as a "home office," provided clients, customers, and employees do not regularly visit the "home office." All common property shall be used in a manner conducive to such purpose.

7.2 Rental. Subject to Declarant's special rights as provided in s.19 of the Declaration, all homes placed on Lots must be occupied by the owner of the home. If a Lot owner places a home on the Lot, the Lot owner must occupy the home. Subject to Declarant's rights as provided in the Declaration, in no event may any owner lease or rent any portion of a home even if the Lot owner resides in another part of the home, unless such rental or lease is with the approval of the Declarant or Homeowners Association and in accordance with all other applicable rules and regulations.

7.3 Home Siting and Standards. As provided in the Declaration, all owners must obtain Design Review Committee approval of all manufactured home designs and siting plans, comply with all application CC&R's and county or state rules and ordinances prior to installation of the home and/or related structures. The minimum standards to be applied by the Design Review Committee are applicable county or state standards, and those contained in the CC&R's recorded in Marion County records.

7.4 Restriction on Alteration to Lot. No owner shall make any modifications, additions or alterations to his or her Lot or installations located therein without complying with the Design Review Committee requirements of the Declaration CC&R's.
7.5 Maintenance of Lot. Each homeowner is responsible for maintaining and keeping clean and in good repair the exterior of their home, as well as all appurtenant structures such as decks, steps, storage building(s) and fences at all times and in accordance with any recorded Covenants, Conditions & Restrictions.

7.6 Use of Common property. All common property is provided for the use of the lot and homeowners and their guests. Rules and regulations will be posted, setting out the conditions attendant thereto. Compliance with such rules as determined by the board of directors is essential to the harmonious operation of the facilities.

7.7 Additional Rules. Rules and regulations concerning other use of the common property may be made and amended from time to time by the Association or the board of directors. Copies of such rules and regulations will be furnished to all Lot and homeowners on request.

Article 8 Insurance.

8.1 Each owner shall be responsible for obtaining, at his own expense, insurance covering his Lot and property. The board of directors shall obtain and maintain at all times insurance of the type and kind and in the amounts to be provided, and including insurance for such other risks of a similar or dissimilar nature as are or shall customarily be covered with respect to other planned communities similar in construction and design, and which insurance shall be governed by the provisions in this article.

8.2 Types of Insurance Policies. For the benefit of the Association and the owners, the board of directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance to the extent available at reasonable cost:

8.2.1 A policy or policies of property insurance including, but not limited to, fire, extended coverage, vandalism, and malicious mischief, for the full insurable replacement value, if available, of all common property, and such other fire and casualty insurance as the board of directors shall determine.

8.2.2 A policy or policies insuring the Association, its board of directors, the Lot owners individually, and the Manager against any liability to the public or the owners of Lots and their invitees or tenants, incident to the ownership, supervision,
control, or use of the common property and the planned community. Limits of liability under such insurance shall be not less than $1,000,000 per occurrence for bodily injuries and property damage liability. This limit and coverage shall be reviewed at least annually by the board of directors, which may increase the limit of and/or coverage, in its discretion. The policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsements wherein the rights of the named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured.

8.2.3 Workers' compensation insurance to the extent necessary to comply with any applicable laws.

8.2.4 If the directors determine it is cost effective and appropriate, a fidelity bond naming such persons handling or responsible for Association funds as may be designated by the board of directors as principals and the Association and the owners as obligees, for the amount determined by the board of directors. The premiums on such bonds shall be paid by the Association.

The Association shall not be responsible for any loss or damage to buildings within a Lot or personal property of any owner, whether stored on the common property or on the owner's Lot, nor shall the association maintain any insurance coverage for such loss.

8.3 Insurance Companies Authorized. All policies shall be written by a company licensed to do business in Oregon and hold a "Commissioner's rating" of "A-" and a size rating of "7," or better, by Best's Insurance Reports, or as may be otherwise acceptable to all mortgagees and directors.

8.4 Authority to Adjust Losses. All losses under policies obtained by the Association shall be settled exclusively with the board of directors or its authorized representative. Releases and proofs of loss shall be executed by at least two directors.

8.5 Provisions in Insurance Policies. The board of directors shall make every effort to secure insurance policies that will provide for the following:
8.5.1 A waiver of subrogation by the insurer as to any claims against the board of directors, the manager, the Lot owners, and their respective servants, agents, and guests.

8.5.2 A provision that the policy cannot be canceled, invalidated, or suspended on account of the conduct of any one or more individual owners.

8.5.3 A provision that the policy cannot be canceled, invalidated, or suspended on account of the conduct of any officer or employee of the board of directors or the manager without prior demand in writing that the board of directors or manager cure the defect.

8.6 Insurance Deductible/Owner Insurance.

8.6.1 The board of directors shall determine the amount of the deductible for property loss insurance policies, as well as other insurance policies required to be procured by the Association under this Article 8. In determining the deductible under the policies, the board, among other factors, shall take into consideration the availability, cost, and loss experience of the Association. In this regard, as in other board responsibilities, the board members shall exercise their reasonable business judgment.

8.6.2 The Association shall have no responsibility to procure or assist in procuring property loss insurance for any owner or tenant for (a) damage to a Lot; or (b) for any damage or loss to the owner's or tenant's real or personal property. Owners and Lessees shall be responsible for purchasing insurance policies insuring their Lots and for insuring their own real and personal property for any loss or damage. Owners (and tenants) of all Lots shall procure and maintain comprehensive liability policies having combined limits of not less than $100,000 for each occurrence. Such insurance shall provide coverage for, but not limited to, the negligent acts of the owner and tenant and their guests or other occupants of the Lot for damage to the common property and other Lots and the personal property of others located therein.

8.7 Review of Insurance Policies. At least annually, the board of directors shall review all insurance carried by the Association.
Article 9. Damage and Destruction.

9.1 Insurance Proceeds Sufficient to Cover Loss. In case of fire, casualty, or any other damage and destruction, the insurance proceeds of the Association's policy, if sufficient to reconstruct the common property damaged or destroyed, shall be applied to such reconstruction.

9.2 Insurance Proceeds Insufficient to Cover Loss. If the insurance proceeds are insufficient to reconstruct the damaged or destroyed common property, the damage to or destruction of the common property shall be promptly repaired and restored by the manager or the board of directors, using the proceeds of insurance, if any, on the common property for that purpose and all the Lot owners shall be liable for assessment for any deficiency for the reconstruction, the deficiency to take into consideration as the owner's contribution any individual policy insurance proceeds provided by such owner.

9.3 Condemnation. The board of directors shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain and to sue or defend in any litigation involving such bodies or persons with respect to the common property and shall assist any Lot owner whose Lot or a part thereof is the subject of any condemnation or eminent domain proceeding; provided, however, that nothing in this or any document or agreement shall be construed to give a Lot owner or any party priority over the rights of the first mortgagees of any Lots in the case of a distribution to the Lot owner of any such condemnation awards for losses to or a taking of a Lot and/or the common property. In the event of a taking or acquisition of part or all of the common property by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any trustee, for the use and benefit of the Lot owners and their mortgage holders as their interest may appear. The board of directors shall distribute the proceeds of any such award or settlement on a reasonable and equitable basis among the Lot owners.

Article 10. Amendments to Bylaws. These Bylaws may be amended by the owners holding a majority of the total voting rights allocated to the Lots in a duly constituted
meeting or ballot meeting called for such purpose, and no amendment shall take effect unless approved by owners holding a majority of the voting rights or as otherwise set forth in the Declaration and any supplemental Declaration. Any amendments adopted hereby shall be reduced to writing, certified by the chairman and secretary of the Association to be the amendment adopted by the Association, and the certified amendment shall be recorded in the Deed Records of Yamhill County, Oregon. However, no amendment of these Bylaws reducing or eliminating the right of any first mortgagee shall be made without the prior written consent of the first mortgagee, and no amendment of these Bylaws may be made without the consent of Declarant as long as Declarant owns any Lot, but no such consent shall be required after conveyance to owners other than Declarant of 90 percent of the Lots.

Article 11. Records and Audits.

11.1. General Records. The board of directors and the managing agent or manager, if any, shall keep detailed records of the actions of the board of directors and the managing agent or manager, minutes of the meetings of the board of directors and minutes of the meetings of the Association. The board of directors shall maintain a list of owners entitled to vote at meetings of the Association and a list of all mortgagees of Lots.

11.2. Records of Receipts and Expenditures. The board of directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common property, itemizing the maintenance and repair expenses of the common property and any other expenses incurred. The records and the vouchers authorizing the payments shall be available for examination by the Lot owners and mortgagees at convenient hours on weekdays.

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

11.4. Payment of Common Expenses. The board of directors shall authorize the treasurer, the management agent, or another specified party to pay all legitimate expenses of
the Association. The payments shall be made pursuant to the payment system instituted by the board of directors as described in Section 4.2.3.

11.5 Reports and Audits. The board of directors shall prepare or cause to be prepared an annual report of the receipts and expenditures of the Association and a balance sheet and income and expense statement setting forth the financial condition of the Association as of the end of each year. The report shall be prepared according to generally accepted accounting procedures and shall be distributed to all Lot owners and to all mortgagees of Lots within 90 days after the end of each fiscal year. At any time any owner or mortgagee may, at his or her own expense, cause an audit or inspection to be made of the books and records of the Association.

11.6 Notice of Sale, Mortgage, Rental, or Lease. Immediately upon the sale, mortgage, rental, or lease of any Lot, the Lot owner shall promptly inform the secretary or manager of the name and address of such vendee, mortgagee, lessee, or tenant.

Article 12. Compliance. These Bylaws are intended to comply with the provisions of the Oregon Planned Community Act, which are incorporated herein and to supplement the provisions in the Declaration. In case any of the provisions herein conflict with the provisions of the statutes, the statutory provisions shall apply. In case of any conflict between the provisions herein and the Declaration, the provisions in the Declaration shall apply.

Article 13. Indemnification of Directors, Officers, Employees, and Agents. The Association shall indemnify any director, officer, employee, or agent who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or “investigative (other than an action by the Association) by reason of the fact that he or she 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 the person in connection with such suit, action, or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement,
conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe his or her 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, should it be proven at a later time that the 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 the liability.

Article 14. Assessment Collection Costs; Suits and Actions. Whether or not suit or action is commenced, Lot owners shall be obliged to pay reasonable fees and costs including, but not limited to, attorney fees incurred in connection with efforts to collect delinquent and unpaid assessments and enforcement of the Declaration, Bylaws, or rules and regulations of the Association. In addition to the assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines, and interest.

If suit or action is commenced by the directors for the collection of any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the Bylaws or of the Oregon Planned Community Act, the owner or owners, jointly and severally, will in addition to all other obligations, pay the costs of such suit or action, including reasonable attorney fees to be fixed by the trial court and, in the event of an appeal, the cost of the appeal, together with reasonable attorney fees in the appellate court to be fixed by that court.

Article 15. Miscellaneous.

15.1 Notices. All notices to the Association or to the board of directors shall be sent in 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 any Lot owner shall be sent to such address as may have been designated by him or her from time to time, in writing, to the board of directors, or if no address has been designated, then to the owner's Lot.
15.2 Waiver. No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof that may occur.

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

Adoption of Bylaws

The undersigned hereby adopts the foregoing on behalf of the Association as the Bylaws of the Association as of the date set forth below.

DATED this 6 day of April, 2009.

HUNTERS MEADOW HOMEOWNERS ASSOCIATION

By: [Signature]

STATE OF OREGON

County of Washington

This instrument was acknowledged before me on the 6 day of April, 2009, by [Signature]

Notary Public for Oregon

[Seal]

26
Statement of Association Information
for
HUNTERS MEADOW HOMEOWNERS ASSOCIATION
(pursuant to ORS 94.667)

Name of Association: The name is Hunters Meadow Homeowners Association, Inc.

Treasurer Information: The authorized representative to receive assessments for the Association is:
Superior Community Management Company
PO Box 1549
Sherwood, Oregon 97140
(Tel) 503-925-1832

Property Subject to Assessment by the Association:
Hunters Meadow Homeowners Association,
Plat Records of Yamhill County, Document Nos.

Documents Recorded In the Deed Records of Yamhill County
Declaration of Covenants, Conditions and Restrictions of Hunters Meadow,
Homeowners Association, A Planned Community, recorded instrument
documents recorded as Instruments No. 2009-05185.

STATE OF OREGON )
County of Washington ) ss.

I, Robert C Brown, being first duly sworn, say that I am the Agent for the Hunters Meadow Homeowners Association named in the forgoing instrument; that I have knowledge of the facts therein set forth; that all statements made in this instrument are true and correct as I verily believe.

SUBSCRIBED AND SWORN to before me this 12 day of Aug., 2009,

Robert C. Brown, Agent

[Notary Public Seal]
HUNTERS MEADOW

Located in the SW 1/4 of Section 26, T 5 S, R 6 W, WM.
A.B. Faustman D.L.C. #62, Parcel 1 of Yamhill County Partition Plat
No. 2001-06, City of Sherwood, Yamhill County, OR

Date: 20 July 2005

Notes

1) This subdivision is subject to covenants, conditions and
   restrictions recorded in Instrument No.

2) This subdivision is subject to Declaration of
   Planned Community for HUNTERS MEADOW
   recorded in Instrument No.

3) This subdivision is subject to waiver of the right of
   remonstrance recorded in Instrument No.

4) Tract "C" is an access and utilities easement for the
   benefit of all lots in this subdivision.

5) All monuments set along the perimeter of Tract "C" are
   set at the intersection of the lot line with the Public
   Utility Company line and are 2.0' from the lot comer
   unless otherwise stated.

Curve Table

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Narrative

The purpose of this survey is to subdivide Parcel 1 of Yamhill
County Partition Plat No. 2001-06 onto the lots and tracks as
shown. The survey is based on monuments found in Partition
Plat No. 2001-06 and the base of bearing is along the south
margin of Blair Street, as PT 2001-06.

DECLARATION

I, William D. Faustman, do hereby certify that I have correctly surveyed and marked
with proper monuments the land hereon shown as HUNTERS MEADOW, the
boundary of which is described as follows:

Parcel 1 of Yamhill County Partition Plat 2001-06 recorded March 8, 2006.
The initial Point of hunters MEADOW being a S/2" iron rod at the northeast
corner of said Parcel 1 of Yamhill County Partition Plat 2001-06.

William D. Faustman

SURVEYOR'S CERTIFICATE

I, William D. Faustman, do hereby certify that I have correctly surveyed and marked
with proper monuments the land hereon shown as HUNTERS MEADOW, the
boundary of which is described as follows:

Parcel 1 of Yamhill County Partition Plat 2001-06 recorded March 8, 2006.
The initial Point of hunters MEADOW being a S/2" iron rod at the northeast
corner of said Parcel 1 of Yamhill County Partition Plat 2001-06.

William D. Faustman

Jan Coleman, Yamhill County Clerk

Affidavit of Consent to the Declaration

By: William D. Faustman

Received in Instrument No. 06-06-2006
Date of December 2006

Jan Coleman, Yamhill County Clerk