DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
OAKS AT SPRINGBROOK
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DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR OAKS AT SPRINGBROOK

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF OAKS AT SPRINGBROOK ("Declaration") is made this ___ day of
_______, 2003 by D.R. Horton, Inc.-Portland, a Delaware Corporation and
Oakridge Estates Development Corporation, collectively as the Declarant.

WHEREAS, the Declarant is the owner, or controls, all that certain real
property and improvements thereon located in the City of Newberg, County of
Yamhill, State of Oregon, described and also referred to as the Plat of "Oaks at
Springbrook", recorded _____, 2003 in Book N/A, Pages
___ through ___, recorded as Document No. 2003110516; and

WHEREAS, Declarant intends to develop the Property as a planned
community, and to establish the planned development project of Oaks at Springbrook,
Declarant desires to impose these mutually beneficial covenants, conditions,
restrictions, easements, assessments and liens on the Property under a comprehensive
general plan of improvement and development for the benefit of all of the Owners,
the Lots and Common Area within Oaks at Springbrook; and

WHEREAS, Declarant has deemed it desirable for the preservation of the
values and amenities in Oaks at Springbrook to create a Homeowners Association, to
which will be delegated and assigned the powers and authority to own, maintain and
administer the Association and the Common Area and facilities, and administer and
enforce the covenants, conditions, and restrictions of this Declaration, and collect and
disburse the assessments and charges hereinafter created.

NOW THEREFORE, the Declarant declares that the Property shall be held,
transferred, sold, conveyed and occupied subject to the following covenants,
conditions, restrictions, easements, charges and liens, or as noted herein, which shall
run with the land and shall be binding upon all parties having or acquiring any right,
title or interest in the Property or any part thereof and shall inure to the benefit of the
Association and of each Lot Owner.
ARTICLE 1

DEFINITIONS

1.1. "Architectural Review Committee" or "ARC" shall mean the Declarant until turnover and thereafter shall refer to the Board of Directors unless the Board has appointed a separate body to carry out the functions described in Article 6 in which case "ARC" shall refer to this body.

1.2. "Articles" shall mean the Articles of Incorporation for the non-profit corporation, Oaks at Springbrook Homeowners Association, or such similar name approved by and filed with the Oregon Corporation Commissioner.

1.3. "Association" shall mean and refer to Oaks at Springbrook Homeowners Association, its successors and assigns.

1.4. "Oaks at Springbrook" shall mean the real property described on the Plat of Oaks at Springbrook ("Plat").

1.5. "Board" or "Board of Directors" shall mean the Board of Directors of Oaks at Springbrook Homeowners Association.

1.6. "Bylaws" shall mean and refer to the Bylaws of the Association.

1.7. "Common Area" shall mean and refer to any areas of land shown on the Plat of the Property, including any improvements thereon, which are intended to be devoted to the common use and enjoyment of the members of the Association, and areas with associated improvements outlined herein as the maintenance responsibility of the Association, including but not limited to Tract ‘A’ and the pedestrian/bicycle pathway areas including sidewalks that run between Lots 27 & 28 and 31 & 31 on the Plat.

1.8. "Declarant" shall mean and refer to D.R. Horton, Inc.-Portland and Oakridge Estates Development Corporation, its successors or assigns, or any successor or assign to all remainder of their interests in the development of the Property. All successors to Declarant shall have the same rights and interest as the initial Declarant. "Declarant" shall not refer to any other subsequent purchaser of a Lot or Home.

1.9. "Declaration" shall mean the covenants, conditions, restrictions, and all other provisions set forth in this Declaration of Covenants, Conditions and Restrictions for Oaks at Springbrook.
1.10. "General Common Expenses" shall mean those Common Area expenses incurred by the Association for the benefit of all of the Owners of the Lots within the Property.

1.11. "General Plan of Development" shall mean the Declarant's general plan of development of the Property as approved by appropriate governmental agencies, as may be amended from time to time.

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

1.13. "Lot" shall mean and refer to any plot of land indicated upon the recorded Plat map of the Property or any part thereof creating individual Home sites, including any annexations to Oaks at Springbrook. These do not include Common Areas and areas deeded to a government authority or utility.

1.14. "Lot Easement Area" shall mean and refer to those portions of any Lot subject to any easement benefiting the Association. The term "Lot Easement Area" shall not refer to any portions of any Lot encumbered by an easement to any other party, including without limitation, any governmental entity.

1.15. "Members" shall mean and refer to the Owners of Lots in Oaks at Springbrook and who are members of the Oaks at Springbrook Homeowners Association.

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

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

1.18. "Plat" shall mean and refer to the recorded Plat of Oaks at Springbrook and any annexations to the original Plat.

1.19. "Property" shall mean and refer to all real property described on the Plat, and any annexations of additional property, including the Common Area Tracts, and all improvements located on the real property, as may be brought within the jurisdiction of the Association and be made subject to this Declaration.
1.20. "Rules and Regulations" shall mean and refer to the documents containing rules and regulations and policies adopted by the Board of the Association or the Architectural Review Committee ("ARC") and as may be from time to time amended by the Board and/or ARC.

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

1.22. "Turnover Meeting" shall be the meeting called by the Declarant to turn over control of the Association to the Class A members.

ARTICLE 2

PROPERTY SUBJECT TO THIS DECLARATION

2.1. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the Yamhill County, Oregon, in that certain plat map entitled "Oaks at Springbrook" filed in the plat records of Yamhill County, Oregon, more particularly described as Lots 1 through 49, Oaks at Springbrook Plat.

2.2. At any time during the initial term of this Declaration, the Declarant may, at its sole option, annex additional property into the Association to be subject to the terms hereof to the same extent as if originally included herein and subject to such other terms, covenants, conditions, easements and restrictions as may be imposed thereon by Declarant. Declarant currently anticipates that there will be a total of approximately 148 Lots in the subdivision, including the Lots on this Plat, and Lots expected to be created in property to be annexed to the subdivision, but this number may be adjusted at the sole discretion of Declarant. Declarant shall have no obligation of any kind to annex any additional land to the Property.

(a). Eligible Property. There is no limitation on the number of Lots which Declarant may annex to the Property, or the right of Declarant to annex common property, except as may be established by applicable ordinances, agreements, or land use approvals.
(b). **Consent or Joinder Not Required.** No consent or joinder of any Class A member or other party except the record owner of the land being annexed shall be necessary to effect any annexation made pursuant to this Section.

(c). **Declaration of Annexation.** Annexation shall be evidenced by a written Declaration of Annexation executed by the Declarant, or (in the case of an annexation by action of members) by the Board and the owners of the property being annexed, setting forth the legal description of the property being annexed and any additional covenants, conditions and restrictions to be applied to such annexed property. Notwithstanding any provision apparently to the contrary, a declaration with respect to any annexed property may:

(i). establish such new land classifications and such limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant may deem to be appropriate for the development of the annexed property;

(ii). with respect to existing land classifications, establish additional or different limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant may deem to be appropriate for the development of such annexed property; and/or

(iii). contain provisions necessary or appropriate to comply with any condition, requirement, or imposition of any governmental or regulatory authority.

(d). **Voting Rights; Allocation of Assessments.** Upon annexation, additional lots so annexed shall be entitled to voting rights and shall be responsible for payments or assessments as required for that fiscal year. At the beginning of the next fiscal year, assessments shall be reallocated and reapportioned equally based on the total number of lots following such annexations.

(e). **No Duty to Annex.** Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any member to annex any property into the Association and no owner of property excluded from the Association shall have any right to have such property annexed thereto.
ARTICLE 3

OWNERSHIP AND EASEMENTS

3.1. Non-Severability. The interest of each Owner in the use and benefit of the Common Area shall be appurtenant to the Lot owned by the Owner. No Lot shall be conveyed by the Owner separately from the interest in the Common Area, subject to the provisions of Section 3.3. Any conveyance of any Lot shall automatically transfer the right to use the Common Area without the necessity of express reference in the instrument of conveyance. There shall be no judicial partition of the Common Area. Each Owner, whether by deed, gift, devise or operation of law, for his/her own benefit and for the benefit of all other Owners, specifically waives and abandons all rights, interests and causes of action for judicial partition of any interest in the Common Area and does further agree that no action for judicial partition shall be instituted, prosecuted or reduced to judgement. The ownership interest in the Common Area and Lots described in this Article are subject to the easements granted and reserved in this Declaration. Each of the easements reserved or granted herein shall be deemed to be established upon the recordation of this Declaration and shall forever be deemed to be covenants running with the land for the use and benefit of the Owners and their Lots and shall be superior to all other encumbrances applied against or in favor of any portion of Oaks at Springbrook.

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

3.3. Ownership of Common Areas. Title to the Common Area shall be conveyed to the Association not later than sixty (60) days after eighty percent (80%) of the Lots have been conveyed to Owners or seven years from the date this Declaration is recorded, whichever is earlier.

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

(a) Easements on Plat. The Common Area and Lots are subject to the easements and rights of way shown on, or noted, on the Plat of Oaks at Springbrook.

(b) Easements for Common Area. Every Owner shall have a non-exclusive right and easement of use and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot.
(c) **Easements Reserved by Declarant.** So long as Declarant owns any Lot, Declarant reserves an easement over, under and across the Common Areas in order to carry out sales activities necessary or convenient for the sale of Lots. In addition, Declarant hereby reserves for itself, and for its successors and assigns, a perpetual easement and right-of-way for access over, upon and across the Common Areas for construction, utilities, communication lines, drainage, and ingress and egress for the benefit of the Lots or other property owned by Declarant. Declarant, its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Common Area and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the improvements on the Property or other real property owned by Declarant in such a way as to not unreasonably interfere with the occupancy, use, enjoyment or access to an Owner’s Lot by that Owner or his/her family, tenants, guests or invitees.

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

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

(f) **Easement to Governmental Entities.** There is hereby reserved and granted a non-exclusive easement over the Common Area to all governmental and quasi-governmental entities, agencies, utilities, and their agents for the purposes of performing their duties within Oaks at Springbrook.
(g) **Landscaping.** The Association reserves an easement and shall pay for any maintenance, upkeep and replacement, as well as utilities pertaining to landscaping or maintenance including sidewalks on Tract ‘A’, and the pedestrian/bicycle pathway areas that run between Lots 27 & 28 and Lots 31 & 32. The Association will also pay for 15.19% of the annual maintenance cost for maintenance and upkeep for the landscape feature at the round-about of the Brutscher Street and Hayes Street intersection. Additionally, the Association hereby reserves a landscape maintenance easement for the maintenance, upkeep and replacement, as well as utilities, pertaining to the all front, and street side yard landscape, including street frontage landscaping for all Lots and Common Areas and the entry monument landscape. The aforementioned landscape maintenance easement also includes the street frontage landscaping, sidewalks, and columns and fencing that abut Brutscher Street and Fernwood Road.

(h) **Maintenance Obligations/Owner Restrictions.** Except as noted in this document, the Owner, at his/her expense, shall maintain, repair and replace the improvements and utility installations in any Lot Easement Area and shall hold the Association harmless from any such costs.

**ARTICLE 4**

**LOTS AND HOMES**

4.1. **Residential Use.** Lots shall be used for residential purposes only. Except with the consent of the Board of Directors of the Association, no trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Lot, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business be kept or stored on any Lot. Nothing in this paragraph shall be deemed to prohibit (a) activities relating to the sale of residences, (b) the right of Declarant or any contractor or homebuilder to construct residences on any Lot, to store construction materials and equipment on such Lots in the normal course of construction of Oaks at Springbrook, and to use any residence as a sales office or model home for purposes of sales in Oaks at Springbrook, to maintain on site a temporary construction office or trailer, and (c) the right of the Owner of a Lot to maintain his/her professional or personal library, keep his/her personal business or professional records or accounts, handle his/her personal business or professional telephone calls or confer with business or professional associates, clients or customers, in his/her residence, so long as such activity is not observable outside of the residence, does not significantly increase parking or
vehicular traffic, or is in violation of applicable local government ordinances. The Board of Directors shall not approve commercial activities otherwise prohibited by this paragraph unless the Board determines that only normal residential activities would be observable outside of the residence and that the activities would not be in violation of applicable local government ordinances.

4.2. **Construction.** All construction must meet the design guidelines set forth in the Oaks at Springbrook, Conditions of Approval, dated August 13, 2002, and as set forth in the Springbrook Oaks Specific Plan, dated August 2, 1999. Except for construction performed by or contracted for by Declarant, no construction, reconstruction or exterior alterations shall occur on any Lot, unless the approval of the ARC is first obtained pursuant to Article 6. Consideration such as siting, shape, size, color, design, height, solar access, or material may be taken into account by the ARC in determining whether or not to consent to any proposed work. Such work includes, but is not limited to Homes, storage shelters, swimming pools, spas, landscaping, greenhouses, patios, fencing, basketball hoops or remodeling. The intent of this covenant is to ensure quality of workmanship and material, harmony of external design with the existing and planned structures as to location and visual compatibility and finish grade elevations. Original construction designs, materials and product specifications by Declarant may vary from any or all specified in this document. All construction performed by or contracted for by Declarant, shall be presumed to have met these minimum requirements or have been granted a variance thereto.

4.3. **Design Guidelines.** The following restrictions are minimum standards applicable to all Lots:

(a) **Height.** No Home shall exceed two (2) stories, excluding basement and/or garage levels, in height above the ground;

(b) **Floor Area.** The square footage area of a Home shall not be less than one thousand four hundred (1,400) square feet exclusive of attics, patios, decks, porches, balconies, roof overhangs and garages;

(c) **Residential Design.** No two (2) identical Homes shall be constructed closer than every three (3) Lots along any given street frontage.

(d) **Garages.** A garage must be constructed on each Lot. Garages may be used as a sales office by Declarant, but must be converted to a garage before permanent occupancy. Garages are to be maintained primarily for the storage of automobiles or similar vehicles. No garage may be enclosed or otherwise used for habitation, nor may any garage door be removed except
when necessary to repair or replace a garage door with the same type of garage door.

(c) **Security Doors/Windows and Screen Doors.** No security doors and no exterior security bars or devices on windows and doors shall be installed without the prior written approval of the ARC. If the ARC approves any type security door or window security, such approval shall encourage or require a single style for all Homes so they will maintain a uniform and aesthetic appearance.

4.4. **Completion of Construction.** The construction of any building on any Lot, including painting and all exterior finish, shall be completed within six (6) months from the beginning of the construction so as to present a finished appearance when viewed from any angle. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval from the ARC. The Lot and building area shall be kept reasonably clean and in workmanlike order, free of litter, during the construction period with a garbage disposal facility located on site during such construction period. If construction has not commenced within three (3) months after the project has been approved by the ARC, the approval shall be deemed revoked unless the Owner has applied for and received an extension of time from the ARC. All provisions of this Article 4 shall exclude any construction by the Declarant.

4.5. **Landscaping.** The Association shall maintain any landscaping associated with any maintenance easement held by the Association subject to 3.4 (g) above to include sidewalks and landscaping on Tract ‘A’, the pedestrian/bicycle pathway areas that run between Lots 27 & 28 and Lots 31 & 32, and the landscape associated with the entry monument. Additionally, The Association shall maintain front and street side yard landscaping including front planter strips for all Lots/Common Areas and the Brutscher Street and Fernwood Road street frontage landscaping (including sidewalks and columns and fencing). The Association will also pay for its portion of the annual maintenance cost of the Brutscher Street and Hayes Street round-about, subject to 3.4 (g), above. Owners will maintain, and may use any enclosed side and rear yard for any purpose not prohibited hereunder, provided such use is not deemed, by the ARC or the Association to be a nuisance.

(a). Landscape installation of rear yards or enclosed areas on Lot by Owners is subject to approval by the ARC. Said landscaping on Lots shall be installed by Owners no later than six (6) months after occupancy. All landscape maintenance on Lots shall be maintained in a good condition, including watering, weeding, pruning, fertilization, mowing and other forms of maintenance. If an Owner fails to maintain and/or repair Owner
maintained landscaping, Declarant, its heirs or assigns reserves the right to
cause maintenance and/or repairs to be performed on behalf of the Owner,
pursuant to section 4.21.

(b) Declarant reserves the right to install and maintain landscape
improvements and hereby reserves a landscape easement on any Lot(s)
identified as a model home and on any Common Areas for sales and
marketing purposes. Declarant is not obligated to provide any landscaping in
said areas noted in this section.

(c) Any plantings which are added to the front yard or side yard
areas by Owners will be at the sole expense of the Owner and the Owner shall
be solely responsible for their maintenance and survival. Further, the
Association and their landscape maintenance contractor will bear no
responsibility for the survival, maintenance, damage or replacement of
Owner/Occupant installed plants.

4.6. Rental of Homes. An Owner shall be entitled to rent or lease his/her
residence if:

(a) Written Rental Agreements Required. There is a written rental
or lease agreement specifying that: (i) the tenant shall be subject to all
provisions of the Declaration, Bylaws and Rules and Regulations, and (ii)
failure to comply with any provision of the Declaration, Bylaws and Rules
and Regulations shall constitute a default under the rental agreement.

(b) Minimum Rental Period. The period of the rental or lease is
not less than thirty (30) days; and

(c) Tenant Must Be Given Documents. The Owner gives each
tenant a copy of the Declaration, Bylaws and Rules and Regulations.

(d) Owner Responsibility. Owner shall be responsible for any
violations by tenants and shall be solely responsible for either correcting or
eliminating such violations, or getting tenant to do same.

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

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

4.9. **Parking.** Parking of boats, trailers, commercial vehicles, mobile homes, campers, other recreational vehicles or equipment regardless of weight shall not be allowed on any part of the Lot or Common Area. Parking shall only be in garages, or driveways if no portion of the vehicle overhangs the street, sidewalks or pathways. Garages shall be primarily used for vehicular parking and not solely for storage. In addition, parking of vehicles is prohibited on any public or private street or Common Area within the Property unless so designated as a parking area.

4.10. **Vehicles in Disrepair.** No Owner shall permit any vehicle which is not currently licensed or is in an extreme state of disrepair to be abandoned or to remain parked upon any Lot for a period in excess of forty-eight (48) hours, nor on a Common Area for any length of time. A vehicle shall be deemed in an “extreme state of disrepair” when the Board of Directors reasonably determines that its presence offends the Owners and Occupants. Should any Owner fail to remove such vehicle within five (5) days following the date on which the notice is mailed to him by the Association, the Association may have the vehicle removed from the Property and charge the expense of such removal to the Owner. All oil or grease on roadways or driveways shall be cleaned up immediately by Owner.

4.11. **Signs.** No signs shall be erected or maintained on any Lot except that not more than one “For Sale” or “For Rent” sign placed by the Owner, Declarant or by a licensed real estate agent, not exceeding twenty-four (24) inches high and thirty-six (36) inches long, may be temporarily displayed on any Lot, subject to the provisions of Section 9.2 below. The restrictions contained in this paragraph shall not prohibit the temporary placement of “political” signs on any Lot by the Owner or Occupant, or construction and marketing related signage by the Declarant or his/her/their contractors. No signs of any kind, other than Declarant’s marketing signs, will be allowed on Common Areas.
4.12. **Rubbish and Trash.** No Lot or part of the Common Area shall be used as a dumping ground for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate containers for timely and proper disposal, out of public view. Yard rakings, dirt and other material resulting from landscaping work shall not be dumped onto streets, the Common Areas or any other Lots. Should any Owner fail to remove any trash, rubbish, garbage, yard rakings or any such materials from any Lot, any roadways or Common Area where deposited by him/her within five (5) days following the date on which notice is mailed to him/her by the Board of Directors, the Association may have such materials removed and charge the expense of such removal to the Owner. Each Owner is responsible for trash disposal, and shall remove individual trash containers within 12 hours of collection. No trash and/or storage containers shall be visible from any adjacent street or neighboring Lot, and shall not be allowed to emit any odors or attract insects or rodents.

4.13. **Fences and Hedges.** No fences or boundary hedges shall be installed without prior written approval of the ARC. Additionally, Owners shall not directly attach to, penetrate and/or disturb the existing, Declarant-installed columns and fencing along Brutscher Street and Fernwood Road. Any fencing installed on Owner’s Lots either by Owner, or by Declarant, will be Owner’s maintenance responsibility, except and subject to 3.4 (g) and 4.5, above. All fences that are Owner’s responsibility are to be maintained in condition acceptable to Board and ARC. Fences within Common Area Tracts will be maintained by the Association. All side yard fencing shall maintain a five (5) foot setback from the front of the house. Further no fencing will be allowed in the front yard. All fence materials, designs, and colors are subject to prior approval of the ARC. No chain link fencing will be visible from the street.

4.14. **Service Facilities; Utilities.** Service facilities (e.g. garbage containers, clotheslines, air conditioning compressors, etc.) shall be screened such that the elements screened are not visible at any time from the street or a neighboring Home. All utility lines shall be maintained, repaired and replaced by the Owner of each Lot, or all Owners individually or collectively at their sole expense. The Association is not responsible for the maintenance of any utility, cable TV, or phone services facilities. The exterior location of any heating and air conditioning compressors or heat pumps shall be approved in advance by the ARC. Said locations must take into consideration the noise and view from adjacent Homes.

4.15. **Antennas, Satellite Dishes and Solar Collectors.** No Owner may erect or maintain a television or radio receiving or transmitting antenna, satellite dish or similar implement or apparatus, or solar collector panels or equipment upon any Lot unless such apparatus is erected and maintained in such a way that it is screened from public view along the public street right-of-way directly in front (and side, in the
case of a corner Lot) of the house erected on such Lot; and no such apparatus shall be erected without the prior written consent of the ARC. Exterior satellite dishes with a surface diameter of eighteen (18) inches or less may be placed on any Lot so long as they are not visible from the street and are screened from all neighboring Homes. The ARC, as designated in this Declaration, shall have the absolute authority to determine whether an accessory is adequately screened from public view. The authority of the ARC in this matter shall be subject to any regulations issued by the Federal Communications Commission ("FCC") or any other applicable governmental authority.

4.16. Exterior Lighting or Noisemaking Devices. Except with the consent of the ARC, no exterior lighting or noisemaking devices shall be installed or maintained on any Lot, other than security and fire alarms. However, false alarms of security and fire systems will not be allowed to repeatedly occur.

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

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

4.19. Detached Buildings. Detached accessory buildings, including, but not limited to, storage buildings, greenhouses, children's playhouses and similar structures, shall not be built without the prior written consent of the ARC. Every outbuilding shall be compatible with the dwelling to which it is appurtenant in terms of its design and material composition. Outbuildings shall be of one (1) story design and the outside walls shall not exceed eight (8) feet in height, nor will the overall height exceed fifteen (15) feet, measured from the existing Lot grade, or have
total floor areas in excess of ten (10) percent of the first floor area of the main
dwelling (excluding the area of the garage and any porches). No such buildings shall
be used as additional living space and none shall contain any plumbing.

4.20. **Owner's Maintenance Obligations.** Each Owner shall maintain their
Lot and Improvements in a clean and attractive condition, in good repair and in such a
fashion as not to create a hazard of any kind. Such maintenance shall include,
without limitation, painting or staining, repair, replacement and care of roofs, gutters,
downspouts, surface water drainage, walks and other exterior improvements and glass
surfaces. In addition, each Owner shall keep shrubs, trees, grass and plantings of
every kind neatly trimmed, fertilized, property cultivated and free of trash, weeds and
other unsightly materials. Street trees and front-yard flowering trees installed by
builder must be maintained in good condition and may not be removed without prior
ARC approval. The provisions of this section include all areas on Lots, except those
areas subject to 3.4 (g) and 4.5, above.

4.21. **Right of Maintenance and Entry by Association.** If an Owner fails to
perform maintenance and/or repair which he/she is obligated to perform pursuant to
this Declaration, and if the Board determines, after notice and a hearing (given
pursuant to the provisions of the Bylaws), that such maintenance and/or repair is
necessary to preserve the attractiveness, quality, nature and/or value of Oaks at
Springbrook, the Board may cause such maintenance and/or repair in connection
therewith to be performed and may enter any such Lot whenever entry is necessary in
connection with the performance of any maintenance or construction which the Board
is authorized to undertake. Entry shall be made with as little inconvenience to an
Owner as practicable and only after advance written notice of not less than forty-eight
(48) hours, except in emergency situations. Such right of maintenance shall include,
but not be limited to, buildings and landscape. Any repairs and/or maintenance by the
Association on the Owner’s behalf shall be done at the Owner’s sole expense.

4.22. **Association Rules and Regulations.** The Board of Directors, from
time to time, may adopt, modify or revoke Rules and Regulations governing the
conduct of persons and the operation or use of Lots and Common Areas, as it may
deem necessary or appropriate in order to assure the peaceful and orderly use and
enjoyment of the Property. A copy of any Rules and Regulations, upon adoption,
amendment, modification or revocation thereof, shall be delivered by the Board of
Directors promptly to each Owner and shall be binding upon all Owners and
Occupants of all Lots upon the date of delivery or actual notice thereof. The method
of adoption of such Rules and Regulations shall be provided in the Bylaws of the
Association.
4.23. **City and County Ordinances and Regulations.** The standards and restrictions of the Article 4 shall be the minimum required. To the extent the ordinances and regulations of The City of Newberg, OR and/or Yamhill County are more restrictive or provide for a higher or different standard, the ordinances and regulations of The City of Newberg, OR and/or Yamhill County, or any jurisdiction the Property may be annexed into, shall prevail. The Association’s maintenance obligations for the pedestrian/bicycle pathways with landscaping between Lots 27 & 28 and 31 & 32, shall not be amended and/or modified without the City of Newberg’s written consent.

4.24. **Violation.** The Association may impose a fine, charge or penalty for any violation of this Declaration, the Bylaws and Rules and Regulations after reasonable notice of the violation and a reasonable opportunity for a hearing. Additionally, the Association may seek injunctions or other equitable relief or may file an action for money damages owing from such violations.

**ARTICLE 5**

**COMMON AREA**

5.1 **Use of Common Areas.** Use of Common Areas is subject to the provisions of the Declaration, Bylaws, Articles and Rules and Regulations promulgated by the Board of Directors. Owners and their invitees shall have exclusive use of the Common Areas with the exception of the use of the public pedestrian/bicycle pathways or sidewalks that run through Tract ‘A’ and between Lots 27 & 28 and 31 & 32. There shall be no obstruction of any part of the Common Area. Nothing shall be stored or kept in the Common Area without the prior written consent of the Board of Directors. No alterations or additions to the Common Area shall be permitted without the prior written approval by the Board of Directors. Nothing shall be stored or kept in the Homes or Common Area which will increase the rate of insurance on the Common Area without the prior written consent of the Board.

5.2 **Maintenance of Common Area.** The Association shall be responsible for maintenance, repair, replacement, and upkeep of the Common Area, including, but not by way of limitation, all drainage systems, landscaping, irrigation systems, benches, Common Area lighting not maintained by a public agency, fencing, pathways/sidewalks and any other Improvements that may be included in Common Area Tracts. The Association shall keep the Common Area and improvements thereon in good condition and repair, provide for all necessary services and cause all
acts to be done which may be necessary or proper to assure the maintenance of the Common Area in first class condition.

5.3 Alterations to Common Area. Only the Association shall construct, reconstruct, or alter any improvement situated upon the Common Area. A proposal for any construction of or alteration, maintenance or repair to an improvement may be made at any meeting. A proposal may be adopted by the Board, subject to the limitations contained in the Bylaws and the Declaration.

5.4 Funding. Expenditures for alterations, maintenance or repairs to an existing capital improvement for which a reserve has been collected shall be made from the reserve account. As provided in Section 10.6, the Board may levy a special assessment to fund any construction, alteration, repair or maintenance of an improvement (or any other portions of the Common Area) for which no reserve has been collected or for which the reserve account is insufficient to cover the cost of the proposed improvement.

5.5 Landscaping. All landscaping on any Lot or portion of the Common Area shall be maintained and cared for in a manner consistent with the standard of design and quality as originally established by Declarant or the ARC. The Association shall be responsible for all landscaping as noted and subject to 3.4 (g) and 4.5, above. Any Owner maintained areas shall be kept free of weeds and diseased or dead lawn, tree, ground cover or shrubs shall be promptly removed and replaced. All lawn areas shall be fertilized and neatly mowed, and trees and shrubs shall be fertilized and neatly trimmed on a regular basis.

5.6 Condemnation of Common Area. If all or any portion of the Common Area is taken for any public or quasi-public use under any statute, by right of eminent domain or by purchase in lieu of eminent domain, the entire award shall be received by and expended by the Board of Directors in a manner which in their discretion is in the best interest of the Association. The Association shall represent the interest of all Owners in any negotiations, suit or action or settlement in connection with such matters.

5.7 Damage or Destruction of Common Area. In the event any Common Area is damaged or destroyed by an Owner or any of his/her Occupants, guests, tenants, licensees, agents or members of his/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 the damage and restore the area in workmanlike manner as originally constituted or as
may be modified or altered subsequently by the Association in the discretion of the Board of Directors. The reasonable cost necessary for such repairs shall become a special assessment upon the Lot of the Owner who caused or is responsible for such damage.

ARTICLE 6

ARCHITECTURAL REVIEW COMMITTEE

6.1. Architectural Review. No improvement shall be commenced, erected, placed or altered on any Lot until the construction plans and specifications showing the nature, shape, heights, materials, colors, and proposed location of the improvement have been submitted to and approved in writing by the ARC. It is the intent and purpose of this Declaration to assure quality of workmanship and materials and to assure harmony of exterior design with the existing improvements and landscaping. The ARC is not responsible for determining compliance with structural and building codes, solar ordinances, zoning codes or other governmental regulations, all of which are the responsibility of the Lot Owners. The procedure and specific requirements for review and approval of construction may be set forth in design guidelines adopted from time to time by the ARC. Construction by the Declarant is presumed to have been approved and is thereby exempt from this review. In all cases which the ARC consent is required by this Declaration, the provision of this Article shall apply.

6.2. Architectural Review Committee. Appointment and Removal. The ARC shall consist of no fewer than three (3) members and no more than five (5) members, as the Board may appoint from time to time. The Declarant reserves the right to appoint all members of the ARC and all replacements thereto until turnover. The Declarant may appoint a single person to serve as the ARC. After turnover, Declarant shall delegate the right to appoint and remove members of the ARC to the Board of Directors. The terms of office for each member of the ARC shall be for one (1) year unless lengthened by the Board at the time of appointment or unless the Board serves as the ARC in which event the terms of the ARC members shall be the same as their terms as Board members. The Board may appoint any or all of its members for the ARC and there should be no requirement for non-Board members on the ARC. The Board may appoint one or more members to the ARC who are not Owners, but who have special expertise regarding the matters which come before the ARC. In the sole discretion of the Board, such non-Owner members of the ARC may be paid and that cost paid by applicants or the Association.
6.3. **Majority Action.** Except as otherwise provided in this Declaration, a majority of the members of the ARC shall have the power to act on behalf of the ARC, without the necessity of a meeting and without the necessity of consulting the remaining member(s) of the ARC. The ARC may render its decision only by written instrument setting forth the action taken by the members consenting thereto.

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

6.5. **ARC Decision.** The ARC shall render its approval or denial decision with respect to the construction proposal within twenty (20) working days after it has received all material required by it with respect to the application. All decisions shall be in writing. In the event the ARC fails to render its decision of approval or denial in writing within sixty (60) days of receiving all material required by it with respect to the proposal, the application shall be deemed approved. Approval by the ARC does not imply government approval which is solely the responsibility of the Owner.

6.6. **ARC Discretion.** The ARC may, at its sole discretion, withhold consent to any proposed work if the ARC finds the proposed work would be inappropriate for the particular Lot or incompatible with the design standards that the ARC intends for Oaks at Springbrook. Consideration such as siting, shape, size, color, design, height, solar access, or other effect on the enjoyment of other Lots or the Common Area, and any other factors which the ARC reasonably believe to be relevant, may be taken into consideration by the ARC in determining whether or not to consent to any proposed work.

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

6.8. **Appeal.** At any time after Declarant has delegated appointment of the members of the ARC to the Board of Directors pursuant to Section 6.2, any Owner adversely impacted by action of the ARC may appeal such action to the Board of Directors. Appeals shall be made in writing within ten (10) days of the ARC’s
action and shall contain specific objections or mitigating circumstances justifying the appeal. If the Board is already acting as the ARC, the appeal shall be treated as a request for a rehearing, but in such case the Board must actually meet and receive evidence and argument. A final, conclusive decision shall be made by the Board of Directors within fifteen (15) days after receipt of such notification. The determination of the Board shall be final.

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

6.10. Determination of Compliance. The ARC shall inspect, from time to time, all work performed and determine whether it is in substantial compliance with the approval granted. If the ARC finds that the work was not performed in substantial conformance with the approval granted, or if the ARC finds that the approval required was not obtained, the ARC shall notify the Owner in writing of the noncompliance. The notice shall specify the particulars of any noncompliance and shall require the Owner to take the necessary action to bring the work into compliance with the approved project.

6.11. Noncompliance. If the ARC determines that an Owner has not constructed an improvement consistent with the specifications on which approval is based, and if the Owner fails to diligently commence to remed[y such noncompliance in accordance with the provisions of the notice of noncompliance, then at the expiration of the third (3rd) day from the date of such notification, the ARC shall provide a notice of a hearing to consider the Owner's continuing noncompliance. The hearing shall be set not more than thirty (30) days from the date of the notice of noncompliance. At the hearing, if the ARC finds that there is no valid reason for the continuing noncompliance, the ARC shall determine the estimated costs of correcting it. The ARC shall then require the Owner to remedy or remove the same within a period of not more than ten (10) days from the date of the ARC's determination. If the Owner does not comply with the ARC's ruling within such period or within any extension of such period as the ARC, at its discretion, may grant, the Association may (a) remove the noncomplying improvement, (b) remedy the noncompliance, or (c) file suit to compel compliance. The costs of such action shall be assessed against the Owner and his/her Lot, including all attorneys' fees and other costs expended and incurred to enforce compliance before suit or action is filed and at trial or on any appeal or review of therefrom.

6.12. Liability. Neither the ARC, the Board, their agents, nor any member thereof shall be liable to any Owner, Occupant, or builder for any damage, loss or
prejudice suffered or claimed or claimed to be suffered arising from any action by the ARC or a member thereof or failure of the ARC or a member thereof, provided only that the member has acted in good faith in accordance with the actual knowledge possessed by him.

6.13. **Estoppel Certificate.** Within fifteen (15) working days after written request is delivered to the ARC by an Owner, and upon payment to the ARC of a reasonable fee fixed by the ARC to cover costs, the ARC shall provide such Owner with a certificate executed by the Chairman of the ARC, and acknowledged, certifying with respect to any Lot owned by the Owner, that as of the date thereof either (a) all improvements made or done upon or within such Lot by the Owner comply with this Declaration or any Rules and Regulations either promulgated by the Board or the ARC, or (b) such improvements do not so comply, in which event, the certificate shall also identify the noncomplying improvements and set forth with particularity the nature of such noncompliance. The Owner, his/her/their heirs, devisees, successors and assigns shall be entitled to rely on the certificate with respect to the matters set forth. The certificate shall be conclusive as between the Declarant, the ARC, the Association and all Owners, and all such persons deriving an interest through any of them.

**ARTICLE 7**

**OAKS AT SPRINGBROOK HOMEOWNERS ASSOCIATION**

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

7.2. **Proxy.** Each Owner may cast his/her vote in person, pursuant to a proxy executed by the Owner, or by written ballot, as provided by ORS 65.222. An Owner may not revoke a proxy given pursuant to this section except by actual notice or revocation to the person presiding over a meeting of the Association. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one (1) year after its date, unless the proxy specifies a shorter term.
7.3. **Voting Rights.** The Association shall have two (2) classes of voting members.

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

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

(i). When eighty percent (80%) of the Lots have been sold and conveyed to Owners other than Declarant ("Termination Date"); or

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

Thereafter, each Owner, including the Declarant, shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote, and the total number of votes shall be equal to the total number of Lots.

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

7.4. **Procedure.** All meetings of the Association, the Board of Directors, the ARC, and Association committees shall be conducted with such rules of order as may from time to time be adopted by the Board of Directors. Notwithstanding which rule of order is adopted, the chairman shall be entitled to vote on all matters, not merely to break a tie vote. A tie vote does not constitute a majority or approval of any motion or resolution.
ARTICLE 8

DECLARANT CONTROL

8.1. Interim Board and Officers. The Declarant hereby reserves administrative control of the Association. The Declarant, in its sole discretion, shall have the right to appoint and remove members of the Interim Board of Directors, which shall manage the affairs of the Association and which shall be vested with all powers and rights of the Board of Directors. The Interim Board shall consist of from one to three members. Notwithstanding the provision of this Section, at the Turnover Meeting (as hereinafter defined) at least one (1) Director shall be elected by Owners other than the Declarant, even if the Declarant otherwise has voting power to elect all of the members of the Board.

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

(a) Upon Sale of Lots. The date that Lots representing eighty percent (80%) of Lots subject to this Declaration, plus any recorded annexation of additional Lots, have been conveyed to persons other than the Declarant; or

(b) Declarant's Earlier Election. At such earlier time as Declarant may elect in writing to terminate Class B membership.

The Declarant shall give notice of the meeting to each Owner as provided in the Bylaws. If the Declarant does not call the meeting required under this Section, any Owner may do so.

8.3 Board of Directors. At and following Turnover, the Board of Directors of the Association shall be comprised of five (5) directors. The directors will be elected by a plurality of the total membership of the Oaks at Springbrook Homeowners Association. In the event of a vacancy occurring on the Board, the position of such director(s) shall be filled in accordance with the terms and provisions of the Bylaws through appointment by the Board of Directors. Terms of office shall be staggered such that in the first election at the Turnover Meeting, as described in the Bylaws, two Directors shall serve a term of 3 years, two for 2 years and one for 1 year.
ARTICLE 9

DECLARANT’S SPECIAL RIGHTS

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

9.2. **Marketing Rights.** Declarant shall have the right to maintain a sales office and model on one or more of the Lots which the Declarant may or may not own, to be staffed by the employees of the Declarant or any licensed real estate sales agents. The Declarant and prospective purchasers and their agents shall have the right to use and occupy the sales office and models during reasonable hours any day of the week. The Declarant may maintain a reasonable number of “For Sale” signs at reasonable locations of the Property, including, without limitation, the Common Area.

9.3. **Declarant’s Easements.** The Declarant has reserved easements over the Property as more fully described in Article 3.4, Sections (c) and (d) hereof.

9.4. **Appearance and Design of Oaks at Springbrook.** Declarant shall not be prevented from changing the exterior appearance of the Common Area, including the landscaping or any other matter directly or indirectly connected with project in any manner deemed desirable by Declarant, provided that the Declarant obtain governmental consents required by law. The construction and material standards of Article 4 notwithstanding, Declarant may change exterior and/or interior designs of Homes and Lots from initial plans and provisions in this document, without notice. This may include designs, colors, and type of materials, provided Declarant obtains any necessary governmental consent.

9.5 **Construction by Declarant.** All construction by Declarant is presumed to have been approved by the ARC and to meet any Design Guidelines of the Association.
ARTICLE 10

FUNDS AND ASSESSMENTS

10.1. **Purpose of Assessment.** The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and Occupants and for the improvement, operation and maintenance of the Common Area and/or other areas, as specified elsewhere in this document, including administrative costs and insurance for the Association. No individual structure insurance will be provided by the Association.

(a) **Common Expense Designations.** Common Expenses of the nature described in Section 10.1 which are to be, or are, incurred by the Association for the benefit of all of the Owners of Lots within the Property shall be separately budgeted for allocation among all such Owners and shall be designated "General Common Expenses''.

(b) **Insurance By the Association.** The Board shall obtain, and maintain in effect, from reputable insurance companies authorized to do business in the State of Oregon, public liability insurance with respect to all the Common Area in such amounts and in such forms as the Board deems advisable to provide adequate protection for bodily injury, including deaths of persons, and property damage, whether caused by the negligence of the Association or otherwise; provided, however, that such policy(ies) shall not be for an amount of less than $1,000,000.00 per person, per occurrence, and that such policy(ies) shall provide that the coverage there under cannot be canceled or substantially modified without at least 10 days written notice to the Association. No fire and casualty coverage will be purchased for Homes. The Association may obtain such other and further policies of insurance as it deems advisable. The named insured on the policy may read “Oaks at Springbrook Homeowners Association.” The casualty insurance to be obtained by the Association pursuant to this paragraph 10.1(b) shall include the following terms, if the Board determines they are reasonably available:
i) A waiver of subrogation by the insurer as to any claims against the Board, any Owner, or any guest of an Owner;

ii) A waiver by the insurer of its right to repair and reconstruct instead of paying cash;

iii) A provision that no policy may be canceled, invalidated, or suspended because of the action of an Owner;

iv) A provision that no policy may be canceled, invalidated, or suspended because of the conduct of any director, officer, or employee of the Association unless the insurer gives the Association a prior written demand that the Association correct the defect and allows the Association a reasonable time to make the correction; and

v) A provision that any “other insurance” clause in any policy shall exclude from its coverage all owners’ policies.

At the discretion of the Board, the Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Corporation, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his/her/their status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the Articles of Incorporation of the Corporation.

10.2. Covenants to Pay. Declarant, on behalf of each and every subsequent Owner of any Lot, covenants and agrees that each Lot will pay the Association the assessments and any additional charges levied pursuant to this Article 10.

(a) Funds Held. The assessments collected by the Association shall be held by the Association for and on behalf of each Owner and shall be used solely for the operation, care and maintenance of Oaks at Springbrook as provided by this Declaration. Upon the sale or transfer of any Lot, the Owner’s interest in the funds shall be deemed automatically transferred to the successor in interest of such Owner, and is not refundable.
10.3. Basis of Assessments and Commencement of Assessments. 
Assessments are to be levied against all Lots, except those owned by the Declarant, whether or not such Lots have been improved with a substantially completed Home. Provided, however, that no Assessment shall be levied against any Lot until such time as it is first sold to a purchaser other than Declarant or Declarant assignee. Assessments for all Lots conveyed by the Declarant to purchaser/Owner, either by deed or land sales contract, shall begin on the day of the recording of the deed or land sale contract conveying or contracting to convey the Lot of the new Owner.

10.4. Annual Assessments. Annual assessments for each fiscal year shall be established when the Board approves the budget for that fiscal year. The fiscal year shall be the calendar year unless another year is adopted by a vote of the Board members. Annual assessments shall be levied in quarterly installments and due and payable on the first day of each quarter during the term of this Declaration. The Board of Directors reserves the right to adjust this quarterly payment schedule.

(a) Budget. Regardless of the number of Members or the amount of assets of the Association, each year the Board shall prepare, approve and make available to each Member a pro forma operating statement (budget) containing: (i) estimated revenue and expenses on an accrual basis, including a Board approved estimate for the annual maintenance cost of the Brutscher Street and Hayes Street round-about; (ii) the amount of the total cash reserves of the Association currently available for replacement or major repair of the Common Area and for contingencies; (iii) an itemized estimate for the remaining life of, and the methods of funding to defray repair, replacement or additions to major components of the Common Area; and (iv) a general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs and repair, replacement or additions to major components of the Common Area. For the first fiscal year, the budget shall be approved by the Board no later than the date on which annual assessments are scheduled to commence. Thereafter, the Board shall annually prepare and approve the budget and distribute a copy thereof to each Member, together with written notice of the amount of the annual assessments to be levied against the Owner’s Lot, not less than thirty (30) days and not more than ninety (90) days prior to the beginning of the fiscal year.

(b) Allocation of Assessments. The total amount in the budget shall be charged equally against all Lots as annual assessments.

(c) Non-Waiver of Assessments. If before the expiration of any fiscal year the Association fails to fix annual assessments for the next fiscal
year, the annual assessments established for the preceding year shall continue until a new annual assessment is fixed.

10.5. Reserve Funds

(a) Reserve Fund for Replacing Common Area Improvements

Declarant shall in addition establish a reserve fund in the name of the Association for replacement, in whole or in part, of the Common Area and any improvements located in, on, or under the Common Area for which the Association is responsible pursuant to this Declaration, that will normally require replacement in more than three (3) and fewer than thirty (30) years, including any exterior painting, if the Common Area includes exterior painted surfaces. The reserve account need not include those items that could reasonably be funded from the maintenance fund. For purposes of funding the reserve fund, the Declarant initially, and thereafter the Association shall impose an assessment to be called the "Reserve Fund Assessment" against each Lot, which assessment shall be spread equally over the Lots. The Reserve Fund Assessment shall be based on the reserve study, and updates thereof, described in Section 10.5 (b), or other sources of reliable information. Nothing herein shall limit the authority of the Declarant or the Association to establish other separate and unrelated reserve funds that are funded by assessments for reserves that are in addition to the Reserve Fund or that relate only to a particular type or category of Lot. The Reserve Fund shall be kept separate from other funds and may be used only for the purposes for which reserves have been established as specified in this Section.

Required Reserve Fund Assessments for completed improvements shall begin accruing from the date the first Lot assessed is conveyed. Declarant may elect to defer payment of the Reserve Fund Assessments due on Lots it owns until the date of the conveyance of the Lot to an Owner. However, the Declarant may not defer such payment beyond the date of the Turnover Meeting. The book and records of the Association shall reflect the amount owing from the Declarant for all Reserve Fund Assessments.

After the Turnover Meeting, the Board may borrow funds from the Reserve Fund to meet high seasonal demands on the regular operating funds or to meet other unexpected increases in expenses. Such funds borrowed from the Reserve Fund shall be repaid from regular annual or special assessments against the Lots, if the Board has adopted a resolution, which may be an annual, continuing resolution, authorizing the borrowing of funds. Not later than the adoption of the budget for the following year, the Board shall adopt
by resolution a written payment plan providing for repayment of the borrowed funds within a reasonable period.

The Board may adjust the amount of the Reserve Fund Assessments as indicated by any reserve study or update, and provide for any other reserve items that the Board, in its discretion, may deem appropriate during a fiscal year. In addition, after the second anniversary of the turnover meeting, the Association may elect to reduce or increase future Reserve Fund Assessments by a 75% vote of the Owners.

Any funds established for any of the purposes mentioned in this Section shall be deemed to be within the Reserve Fund notwithstanding that it may not be so designated by the Board of Directors. The amount of the Reserve Fund shall constitute an asset of the Association and shall not be refunded or distributed to any Owner.

(b) Reserve Study. The Board of Directors shall annually conduct a reserve study, or review and update an existing study, of the Common Area components to determine the requirements of the reserve fund described in Section 10.5 (a) above. The reserve study shall include (a) identification of all items for which reserves are required to be established; (b) the estimated remaining useful life of each item as of the date of the reserve study; (c) the estimated cost of maintenance, repair, or replacement of each item at the end of its useful life; and (d) a thirty (30) year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on the reserve fund, to meet the maintenance, repair, and replacement schedule.

10.6 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:

(a) Deficits in Operating Budget. To correct a deficit in the operating budget, by vote of a majority of the Board;

(b) Breach of Documents. To collect amounts due to the Association from an Owner for breach of the Owner's obligations under the Declaration, the Bylaws, or the Rules and Regulations, by vote of a majority of the Board;
(c) **Repairs.** To make repairs or renovations to the Common Area if sufficient funds are not available from the operating budget or replacement reserve accounts by vote of a majority of the Board; or

(d) **Capital Additions.** To make capital acquisitions, additions or improvements, by vote of at least seventy-five percent (75%) of all votes allocated to the Lots.

10.7 **Accounts.**

(a) **Types of Accounts.** Assessments collected by the Association should be deposited into at least two (2) separate accounts with a bank, which accounts shall be designated as (i) the Current Operating Account and (ii) the Reserve Account. Those portions of the assessments collected for current maintenance and operation levied under Section 10.4 (b) will be in the Current Operating Account and those portions of the assessments collected as reserves for replacement and deferred maintenance of capital improvements into the Reserve Account. Special Assessments shall be deposited into one of the two accounts, whichever is deemed by the Board to be appropriate. Withdrawal of funds for the Association’s Reserve Account shall require the signatures of two (2) Directors.

(b) **Reserve Account.** The Association shall pay out of the Reserve Account only those costs that are attributable to the maintenance, repair or replacement of capital improvements for which reserves have been collected and held. No funds collected for the Reserve Account may be used for ordinary maintenance and operation purposes, unless repaid within six (6) months of withdrawal, or as approved by a majority of Owners.

(c) **Current Operating Account.** All ordinary maintenance and operating expenses shall be paid from the Current Operating Account.

10.8 **Default in Payment of Assessments, Enforcement of Liens.**

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

(b) **Association Lien.** At any time any assessment (of any type provided for by this Declaration or the Bylaws) or installment thereof is delinquent, the Association, by and through its Board or any management agent, may file a notice of lien in the deed records of Yamhill County, Oregon against the Lot in respect to which the delinquency pertains. Once filed, such lien shall accumulate all future assessments or installments, interest, late fees, penalties, fines, attorneys’ fees (whether or not suit or action is instituted) and other appropriate costs properly chargeable to an Owner by the Association, until such amounts are fully paid. The provisions regarding the attachment, notice, recordation and duration of liens established on real property under ORS 94.704 to 94.716, as the same may be amended, shall apply to the Association’s lien. The lien shall be foreclosed in accordance with the provisions regarding the foreclosure of liens under ORS Chapter 88. The lien of the Association shall be superior to all other liens and encumbrances except property taxes and assessments, any first mortgage, deed of trust or land sale contract recorded previously to the Association’s notice of lien and any mortgage or deed of trust granted to an institutional lender which is recorded previously to the Association’s notice of lien.

(c) **Interest; Fines; Late Fees; Penalties.** The Board in its reasonable discretion may from time to time adopt resolutions to set the rate of interest, and to impose late fees, fines and penalties on delinquent assessments or for violations of the provisions of this Declaration, the Bylaws, any Rules and Regulations, and any rules and regulations adopted by the ARC. The adoption of such impositions shall be communicated to all Owners in writing not less than thirty (30) days before the effective date by a notice mailed to the assessment billing addresses of such Owners. Such impositions shall be considered assessments which are lienable and collectible in the same manner as any other assessments. Provided, however, no fine or penalty for violation of this Declaration, the Bylaws or any Rules and Regulations (other than late fees, fines or interest arising from an Owner’s failure to pay regular or special assessments) may be imposed against an Owner or his/her Lot until such Owner is given an opportunity for a hearing as provided in Section 4.24.

(d) **Acceleration of Assessments.** In the event an Owner is delinquent in payment of any assessment or installment on any assessment, the Association, upon not less than ten (10) days written notice to the Owner, any accelerate the due date of the full annual assessment for that fiscal year and all future installments of any special assessments.
(e) **Association's Right to Rents/Receiver.** In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting Owner for the use of his/her Lot or shall be entitled to the appointment of a Receiver. Any default by the Owner in any provisions of the Declaration or Bylaws shall be deemed to be a default by the Owner of any mortgage to which the Owner is party or to which the Lot is subject.

**ARTICLE 11**

**GENERAL PROVISIONS**

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

11.2. **Indemnification of Directors, Officers, Employees and Agents.** The Association shall indemnify any Director, officer, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the fact that he/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 attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he/she acted in good faith and in a manner he/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/her conduct was unlawful. The termination of any action, suit or proceeding by judgement, 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/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/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 to reimbursement of such payment from such person, should it be proven at a later time that such person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a Director, officer, employee or agent shall have a right of contribution over and against all other Directors, officers, employees or agents and members of the Association who participated with or benefited from the acts which created said liability.

11.3. **Enforcement; Attorneys' Fees.** The Association and the Owners within the Property or any mortgagee on any Lot shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens and charges now or hereinafter imposed by any of the provisions of this Declaration as may pertain specifically to such parties or owners by any proceeding at law or in equity. Failure by either the Association or by any Owner or mortgagee to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of their right to do so thereafter.

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

11.5 **Duration.** The covenants, conditions and restrictions of this Declaration shall run with and bind the land for a term of thirty-five (35) years from the date of this Declaration being recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless rescinded by a vote of at least ninety percent (90%) of the Owners and ninety percent (90%) of the first mortgagees. Provided however, amendments which do not constitute rescission of the planned development may be adopted as provided in Section 11.6 below. Additionally, any such rescission which affects the Common Area shall require the prior written consent of Yamhill County.

11.6 **Amendment.** Except as otherwise provided in Sections 11.5, 11.9, and the restrictions set forth elsewhere herein, this Declaration may be amended at any time by an instrument approved by not less than seventy-five percent (75%) of the total votes for all Lots subject to this Declaration, of each class of members that are eligible to vote. However, during the period of time prior to the Turnover Meeting, Declarant has right to amend Declaration, Bylaws and Articles of Incorporation without notice to or approval by any Class A members. Any amendment must be executed, recorded and certified as provided by law. Provided,
however, that no amendment of this Declaration shall effect an amendment of the Bylaws or Articles without compliance with the provisions of such documents, and the Oregon Non-Profit Corporation Act. Provided further, so long as the Declarant owns any Lot, no amendment affecting the general plan and development or any other right of the Declarant herein contained may be effected without the express written consent of the Declarant or its successors and assigns.

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

11.8 Personal Pronouns. All personal pronouns used in this Declaration, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall apply to the plural and vice versa.

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

11.10 Resolution of Document Conflicts. In the event of a conflict among any of the provisions in the documents governing Oaks at Springbrook, such conflict shall be resolved by looking to the following documents in the order shown below:

1. Declaration of Covenants, Conditions and Restrictions;
2. Articles of Incorporation;
3. Bylaws;
4. Rules and Regulations.
IN WITNESS WHEREOF, the undersigned being the Declarant herein, has executed this instrument this 30th day of April, 2003.

By: ________________________________
    Mike Loomis, Vice President Land Development
    D.R. Horton, Inc.- Portland

By: ________________________________
    Jeffery D. Smith, President
    Oakridge Estates Development Corporation

STATE OF OREGON

County of Multnomah

This instrument was acknowledged before me on April 30, 2003, by Mike Loomis, as Vice President Land Development for D.R. Horton, Inc.- Portland, and Jeffery D. Smith, as President for Oakridge Estates Development Corporation.

OFFICIAL SEAL

LOUISA CAREY
NOTARY PUBLIC OREGON
COMMISSION NO. 355387
MY COMMISSION EXPIRES FEB. 5, 2007

[Seal]

NOTARY PUBLIC FOR OREGON
My Commission Expires: Feb 5, 2007
DECLARATION OF ANNEXATION TO
OAKS AT SPRINGBROOK

(Oaks at Springbrook No. 2)

THIS DECLARATION OF ANNEXATION TO Oaks at Springbrook is made as of this 15 day of AUGUST, 2003, by D.R. Horton, Inc.-Portland, a Delaware corporation and Oakridge Estates Development Corporation, collectively as ("Declarant").

RECsITALS

A. Declarant is the declarant under the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Oaks at Springbrook recorded May 19, 2003, as Document Number 200311572 of the Records of Yamhill County, Oregon.

B. Pursuant to Article 2, Paragraph 2.2. of the Declaration, Declarant wishes to annex Oaks at Springbrook No. 2 into Oaks at Springbrook.

NOW, THEREFORE, Declarant hereby declares as follows:

1. PROPERTY ANNEXED. Declarant hereby declares that all the property described below (the "Additional Property") shall be annexed to Oaks at Springbrook as Additional Property and that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the Declaration:

   All that certain, real property located in Yamhill County, Oregon, in that certain plat entitled "Oaks at Springbrook No. 2", recorded on 10-15-03 2003 as Document #: 200326443 in the records of Yamhill County, Oregon.

2. LAND CLASSIFICATIONS. All of the land within the Additional Property is included in one or another of the following classifications:

   (a) "Attached Homes", which shall consist of Lots 106 through 117 of the plat of the Additional Property;
   (b) "Detached Homes", which shall consist of Lots 50 through 105 and 118 through 148 of the plat of the Additional Property;
   (c) Pedestrian/bicycle pathway area between lots 73 & 74 of the plat of Oaks at Springbrook No. 2;
   (d) "Public Area", which shall consist of the streets as shown on the plat of Oaks at Springbrook No. 2.
IN WITNESS WHEREOF, Declarant has executed this Declaration of Annexation as of the day first above written.

DECLARANT: D.R. HORTON, INC.-PORTLAND, a Delaware corporation

By Mike Loomis, Vice President Land Development D.R. Horton, Inc.-Portland

OAKRIDGE ESTATES DEVELOPMENT CORPORATION

By Jeffery D. Smith, President

STATE OF Montana ss.
County of Multnomah ss.

The foregoing instrument was acknowledged before me this 14th day of October, 2003, by Mike Loomis, as Vice President Land Development for D.R. Horton, Inc.-Portland, a Delaware corporation, on its behalf and by Jeffery D. Smith, as President for Oakridge Estates Development Corporation.

Notary Public for Oregon
My commission expires Oct. 31, 2006
FIRST AMENDMENT TO
DECLARATION OF PROTECTIVE COVENANTS
OAKS AT SPRINGBROOK

WHEREAS, the Declaration of Protective Covenants for Oaks at Springbrook was recorded May 19, 2003, Document #: 200311572 in the records of Yamhill County, Oregon;

WHEREAS, the Declaration Annexation to Oaks at Springbrook that was recorded 10-15 2003, as Document #: 2003264444 in the records of Yamhill County, Oregon.

WHEREAS, the undersigned Declarant desires to amend said Declaration and is Owner of a majority of the lots in Oaks at Springbrook, described in and subject to the Declaration and Annexation.

NOW THEREFORE, said Declaration is hereby amended as follows:

Article 1, insert Paragraph 1.23 as follows:
1.23. "Building Structure" shall mean a portion of an Attached Home including without limitation, garage structures located on the Lots, whether attached to or detached from the Building Structure. The Building Structure shall be deemed to include only the residential and garage structures from the exterior siding and roof through the surface of the drywall. All wall coverings or paint, or anything in or on the interior of the home or garage, including any appliances, heaters and air conditioners, cabinets, flooring, wall and window coverings, personal property, light fixtures, pets, automobiles or outbuildings, except a detached garage as described above, is excluded from this definition of Building Structure.

Article 1 insert Paragraph 1.24 as follows:
1.24. "Attached Home" shall mean any building that is comprised of one or more contiguous Home to include Lots 106 through 117 as shown on the Plat of Oaks at Springbrook No. 2, and "Attached Homes" shall mean all of such Lots.

Article 1 insert Paragraph 1.25 as follows:
1.25. "Detached Home" shall mean any one of Lots 1 through 49 and as shown on the Plat of Oaks at Springbrook and Lots 50 through 105 and 118 through 148 as shown on the Plat Oaks at Springbrook No. 2, and "Detached Homes" shall mean all of such Lots.
Article 3, Paragraph 3.4 (e) insert the following after the last sentence:

3.4(e) "Additionally, an easement is hereby reserved in favor of the Association and its successors, assigns, contractors, agents and employees over, across, and under the Attached Homes, for required maintenance of the exterior Building Structure on each Lot, and any other areas of the Property necessary or appropriate for the purposes of accomplishing the maintenance, repair, and replacement of improvements."

Article 3, Paragraph 3.4 insert sub-Paragraph (i) as follows:

3.4(i) The Association shall maintain the drainage lines for gutters and Drainage Lines. The Association shall maintain the drainage lines for gutters and downspouts from all Attached Homes to the point of intersection with the publicly owned storm drain facility. The Association hereby reserves a maintenance easement for said drainage lines pursuant to 3.4 (e) as set forth in the Declaration. Maintenance of all Drainage Lines for Detached Homes is at Owner’s sole responsibility.

Article 4, Paragraph 4.3 (c), insert the following after the last sentence:

Except that no two (2) Attached Home Building Structures with the same setback shall be located closer than every two (2) residences on any street frontage. Additionally, Attached Homes within the same Building Structure shall have staggered front setbacks of at least two (2) feet.

Article 4, Paragraph 4.5, line 4 after “…Lots 31 & 32,” insert the following:

“and Lots 73 & 74,”

Article 4, Paragraph 4.5 insert (d) as follows:

4.5(d) Owners of Lots 28, 29 and 132 through 142 shall maintain any Declarant installed back-yard storm drainage bubblers/drywell drainage systems.

Article 4, Paragraph 4.18, insert the following after the first sentence:

Except that any damage to any portion of a Building Structure of any Attached Home must be restored by the Owner or Association subject to the provisions of any applicable insurance policies.

Article 4, Paragraph 4.20 delete in its entirety and replace with the following:

4.20. **Owner’s Maintenance Obligations.** All improvements upon any Lot, not maintained by the Association, shall at all times be maintained by the Owner in a clean and attractive condition, painted and in good repair, and in such a fashion as not to create a hazard of any kind.

Attached Homes will be provided with exterior building maintenance to include painting, staining, restoring, repairing, and replacing of exterior surfaces, including roofs and roof overhangs; and maintaining, repairing and replacing exterior lighting fixtures, the exterior portions of chimneys, rain gutters, downspouts, and roof and foundation drainage systems. However, Owners of Attached Homes are responsible for maintenance, replacement, painting, repair and general upkeep of all exterior doors, including the garage door, and all windows, window screens and skylights.
All maintenance of Detached Homes shall be at the sole responsibility of the Owners. No Association exterior building maintenance will be provided for Detached Homes or improvements on Detached Homes. All work is subject to ARC review and approval prior to commencement of work.

In the event repair or replacement of common foundations or common firewalls of any Building Structure for any Attached Homes should become necessary or appropriate, then the Owners of the Attached Homes within the Building Structure that require such repair or replacement shall be jointly responsible for such repair and/or replacement, and the Owners of such affected Lots shall share equally in the expense of such repair and replacement. In the event an Owner of an Attached Home determines repair or replacement of the common foundations or common firewalls of a Building Structure is necessary or appropriate, that Owner shall notify the other Owners of the affected Homes within the Building Structure of the need to perform such repair or replacement. If a majority of the Owners of the affected Homes within the Building Structure agree that such repair or replacement is necessary, they shall jointly cause such work to be performed, and each Owner of an affected Unity shall pay an equal portion of the expense of such work. If an Owner of an affected Home determines repair or replacement of the common foundations or common firewalls of a Building Structure is necessary or appropriate and a majority of the Owners of the other Homes affected or claimed to be affected do not concur with such determination, then the Owners of the Homes affected (or claimed to be affected) shall mutually agree upon and retain a professional engineer licensed in the State of Oregon having at least five (5) years experience in such matters to inspect the common foundations or common firewalls, and such engineer shall make a determination as to whether such repair or replacement is required. The determination of such engineer shall be binding to the affected Owners, and all expenses and fees of the engineer and of the repair or replacement work required to be performed, if any, shall be borne as provided in this Section. In the event the Owners of Homes so affected or claimed to be so affected cannot agree upon a professional engineer having the required qualifications within a 30-day period, then any of the affected Owners may make application to the ARC, which shall select such engineer having the requisite qualifications. The fees and expenses of the engineer shall be shared equally by the Owners of the Homes affected or claimed to be affected. In the event the Owner of an affected Home fails to contribute to the expense of the repair or replacement of the common foundation or common firewalls by thirty (30) days after written demand therefore, then the amount not paid or reimbursed, as well as interest thereon at the rate of twelve percent (12%) per annum from the date of such written demand shall become a charge and lien against the Owner of a Home failing to make such payment or reimbursement. Each Owner of an Attached Home shall be deemed to have agreed by acceptance of a deed conveying the Attached Home, that any such lien shall be effective, without the necessity of obtaining the joinder of such Owner in the execution of any instrument, upon the filing by another Owner of an Attached Home of a claim of lien in the Official Records of Yamhill County, Oregon.
Article 5, Paragraph 5.1, line 6, after "...31 & 32" insert the following:
"and 73 & 74"

Article 10, 10.1, last line after "...the Association" insert as follows:
"., except insurance for the Building Structure of Attached Homes as defined in sub-Paragraph (b) below."

Article 10, Paragraph 10.1 (b), delete in its entirety and replace with the following:
10.1(b) Insurance by the Association. The Board shall obtain, and maintain in effect, from reputable insurance companies authorized to do business in the State of Oregon, public liability insurance with respect to all the Common Area in such amounts and in such forms as the Board deems advisable to provide adequate protection for bodily injury, including deaths of persons, and property damage, whether caused by the negligence of the Association or otherwise; provided, however, that such policy(ies) shall not be for an amount of less than $1,000,000.00 per person, per occurrence, and that such policy(ies) shall provide that the coverage there under cannot be canceled or substantially modified without at least 10 days written notice to the Association.

Additionally, for Attached Homes, the Association shall obtain, and maintain in effect, from such companies fire and extended coverage casualty insurance (including coverage for damage resulting from vandalism and malicious mischief) with respect to each Building Structure, as defined above and the Common Areas (including any insurable improvements in the Common Areas) in an amount equal to 100% of the replacement cost thereof. The casualty coverage may be obtained on a "blanket" basis.

No fire and casualty coverage will be purchased for Detached Homes. The Association may obtain such other and further policies of insurance as it deems advisable. The named insured on the policy may read "Oaks at Springbrook Homeowners Association." The casualty insurance to be obtained by the Association pursuant to this paragraph 10.1(b) shall include the following terms, if the Board determines they are reasonably available:

i) A waiver of subrogation by the insurer as to any claims against the Board, any Owner, or any guest of an Owner;

ii) A waiver by the insurer of its right to repair and reconstruct instead of paying cash;

iii) A provision that no policy may be canceled, invalidated, or suspended because of the action of an Owner;

iv) A provision that no policy may be canceled, invalidated, or suspended because of the conduct of any director, officer, or employee of the Association unless the insurer gives the Association a prior written
demand that the Association correct the defect and allows the Association a reasonable time to make the correction; and

v) A provision that any “other insurance” clause in any policy shall exclude from its coverage all owners’ policies.

At the discretion of the Board, the Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Corporation, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his/her/their status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the Articles of Incorporation of the Corporation.

Article 10, Paragraph 10.1, insert sub-Paragraph (c) as follows:

10.1(c) Insurance by the Owners. The insurance described in paragraph 10.1 (b) above does not provide personal liability coverage for the Owners, nor fire or extended coverage casualty insurance for the Owners’ personal property, the inside surfaces of the Building Structure, and all other improvements including, but not limited to, appliances, heaters and air conditioners, cabinets, flooring, wall and window coverings, light fixtures and personal property on the Lot or land on which the Building Structure resides. The responsibility for obtaining insurance that covers at least these items rests solely with the individual Owners of Attached Homes. Owners of Detached Homes are solely responsible for providing all necessary insurance. No Association insurance will be provided for Detached Homes.

Article 10, Paragraph 10.4, insert sub-Paragraph (d) as follows:

10.4(d) Assessments Particular to Attached Homes. In addition to all assessments described in this Article 10, the Association shall assess Attached Homes for costs and expenses incurred by or at the direction of the Board for upkeep and maintenance of the exterior walls, exterior paint and roofing, and blanket fire and casualty insurance for Attached Homes as further described in Article 10, Paragraph 10.1 (b) above.

In addition to the maintenance fund and the reserve fund described above, separate funds are hereby established for receipt, administration and distribution of proceeds arising from assessments against Attached Homes related to the upkeep and maintenance of the exterior building maintenance as described. Such assessments will be fixed annually in accordance with the general budget guidelines outlined in Section 10.4 (a) for the general association assessment. Attached Home assessments will be in addition to the general assessment for the maintenance of the Common Areas. Attached Home assessments will be accounted for separately with different bank accounts and general ledgers. Such assessments for upkeep and maintenance of these Attached Home maintenance responsibilities shall be subject to the same terms and conditions as the regular or special periodic assessments described above, with the exception that the funds established pursuant to this Section shall be managed and expended solely for the upkeep and maintenance of the exterior maintenance of Attached Homes as described above. This is to also to be interpreted that the funds for Attached
Homes will be kept separate for the exclusive use on those Attached Homes. Said funds will include reserves for the exterior maintenance including but not limited to walls and roofs. A reserve study required in Section 10.5 (b) as outlined in the Declaration shall incorporate these maintenance responsibilities, although any additional costs associated with such reserve study will be chargeable to the Attached Homes, to the extent possible. Exterior wall painting is to include any trim. All doors, windows and any skylights, including frames, glass replacement and cleaning is the sole responsibility of Owners.

Article 10, Paragraph 10.5, after the last sentence, insert the following:
Any reserve study costs for Attached Homes shall be a cost of the Attached Homes and included in their annual assessment budget.

All other provisions of said Declaration shall remain unchanged.

IN WITNESS WHEREOF, Declarant has executed this Declaration of Annexation as of the day first above written.

DECLARANT: D.R. HORTON, INC.-PORTLAND, a Delaware corporation

By
Mike Loonis, Vice President Land Development
D.R. Horton, Inc.-Portland

OAKRIDGE ESTATES DEVELOPMENT CORPORATION

By
Jeffery D. Smith,
President

STATE OF Oregon )
County of Multnomah ) ss.

The foregoing instrument was acknowledged before me this 4th day of September 2003, by Mike Loonis, as Vice President Land Development for D.R. Horton, Inc.-Portland, a Delaware corporation, on its behalf and by Jeffery D. Smith, as President for Oakridge Estates Development Corporation.

OFFICIAL SEAL
JULIE JOURNEY
NOTARY PUBLIC-OREGON
COMMISSION NO. 362533
MY COMMISSION EXPIRES OCTOBER 31, 2006

Notary Public for
My commission expires 06/31/2006
AMENDMENT TO
DECLARATION OF ANNEXATION TO
OAKS AT SPRINGBROOK

WHEREAS, the Declaration of Protective Covenants for Oaks at Springbrook ("Declaration") was recorded May 19, 2003, Document #: 200311572 in the records of Yamhill County, Oregon;

WHEREAS, the Declaration of Annexation for Oaks at Springbrook ("Declaration of Annexation") was recorded October 15, 2003, as Document #: 200326444 in the records of Yamhill County, Oregon;

WHEREAS, the Plat entitled, Oaks at Springbrook No. 2, recorded on October 15, 2003 as Document #: 200326443 in the records of Yamhill County, Oregon;

WHEREAS, the undersigned Declarant desires to amend said Declaration of Annexation and is Owner of a majority of the lots in Oaks at Springbrook, described in and subject to the Declaration.

NOW THEREFORE, said Declaration of Annexation is hereby amended as follows:

Article 2, subsection (a) shall be deleted in its entirety and replaced with the following:
(a) "Attached Homes", there shall be no Attached Homes within the Plat of Oaks at Springbrook No. 2.

Article 2, subsection (b), shall be amended as follows: Delete the words "...through 105 and 118..."

All other provisions of said Declaration of Annexation shall remain unchanged.
IN WITNESS WHEREOF, the undersigned has hereunder set its hand and seal this 28th day of April, 2004.

DECLARANT: D.R. HORTON, INC.-PORTLAND, a Delaware Corporation

By

Mike Loomis, Vice President Land Development
D.R. Horton, Inc.-Portland

OAKRIDGE ESTATES DEVELOPMENT CORPORATION

By

Jeffery D. Smith, President

STATE OF Oregon ss.
County of Multnomah

The foregoing instrument was acknowledged before me this 28th day of April, 2004 by Mike Loomis, as Vice President Land Development for D.R. Horton, Inc.-Portland, a Delaware corporation, on its behalf and by Jeffery D. Smith, as President for Oakridge Estates Development Corporation.

Notary Public for Oregon
My commission expires October 31, 2006
AMENDMENT TO THE FIRST AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS

OAKS AT SPRINGBROOK

WHEREAS, the Declaration of Protective Covenants for Oaks at Springbrook was recorded May 19, 2003, Document #: 200311572 in the records of Yamhill County, Oregon;

WHEREAS, the First Amendment to the Declaration of Protective Covenants for Oaks at Springbrook was recorded October 15, 2003, as Document #: 200326445 in the records of Yamhill County, Oregon;

WHEREAS, the Plat entitled Oaks at Springbrook No. 2 was recorded October 15, 2003, as Document #: 200326443 in the records of Yamhill County, Oregon;

WHEREAS, the undersigned Declarant desires to amend said First Amendment to the Declaration of Protective Covenants for Oaks at Springbrook and is Owner of a majority of the lots in Oaks at Springbrook, described in and subject to the Declaration of Protective Covenants.

NOW THEREFORE, said First Amendment to the Declaration of Protective Covenants is hereby amended as follows:

Article I delete Paragraph 1.24 and replace as follows:

1.24. "Attached Home", shall mean any building that is comprised of one or more contiguous Home and "Attached Homes" shall mean all of such Lots. There shall be no Attached Homes within the Plat of Oaks at Springbrook No.2.

Article I Paragraph 1.25, delete the following verbiage:

"...49 and as shown on the Plat of Oaks at Springbrook and Lots 50 through 105 and 118 through..."

All other provisions of said First Amendment to the Declaration of Protective Covenants shall remain unchanged.
IN WITNESS WHEREOF, Declarant has executed this Declaration of Annexation as of the day first above written.

DECLARANT:  

D.R. HORTON, INC.-PORTLAND, a Delaware corporation

By

Mike Loomis, Vice President Land Development
D.R. Horton, Inc.-Portland

OAKRIDGE ESTATES DEVELOPMENT CORPORATION

By

Jeffery D. Smith,
President

STATE OF Oregon ss.
County of Multnomah ss.

The foregoing instrument was acknowledged before me this 28th day of April 2006, by Mike Loomis, as Vice President Land Development for D.R. Horton, Inc.-Portland, a Delaware corporation, on its behalf and by Jeffery D. Smith, as President for Oakridge Estates Development Corporation.

Notary Public for Oregon
My commission expires October 31, 2006
SECOND AMENDMENT TO
DECLARATION OF PROTECTIVE COVENANTS FOR
OAKS AT SPRINGBROOK

THIS SECOND AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR OAKS AT SPRINGBROOK (this “Second Amendment”) is made and entered into effective this 12 day of May 2004, by D.R. Horton, Inc.-Portland a Delaware Corporation AND Oakridge Estates Development Corporation, (collectively as the “Declarant”).

RECITALS:

WHEREAS, the Declarant caused to be recorded that certain Declaration of Protective Covenants for Oaks at Springbrook that was recorded May 19, 2003, as Document #: 200311572 in the records of Yamhill County, Oregon (the “Declaration”). Declarant also recorded that certain Plat of Oaks at Springbrook on May 19, 2003 as Document #: 200311564 and that certain Plat of Oaks at Springbrook No. 2 on October 15, 2003 as Document #: 200326443 both in the records of Yamhill County, Oregon (the “Plat”). Declarant recorded that certain First Amendment to the Declaration of Protective Covenants Oaks at Springbrook that was recorded October 15, 2003, as Document #: 200326445 in the records of Yamhill County, Oregon. The Declarant recorded that certain Declaration of Annexation to Oaks at Springbrook (Oaks at Springbrook No. 2) that was recorded October 15, 2003, as Document #: 200326444 in the records of Yamhill County, Oregon. The Declarant recorded that certain Amendment to Declaration of Annexation to Oaks at Springbrook that was recorded May 3, 2004, as Document #: 200408445 in the records of Yamhill County, Oregon. The Declarant recorded that certain Amendment to the First Amendment to Declaration of Protective Covenants Oaks at Springbrook that was recorded May 3, 2004, as Document #: 200408446 in the records of Yamhill County, Oregon. Pursuant to Section 11.7 of the Declaration, Declarant desires to amend the Declaration as provided herein, to provide for (i) the modification of Declarant’s annexation right set forth in Section 2.2 of the Declaration, and (ii) the modification of the Termination Date set forth in Section 7.3(b) of the Declaration. Capitalized terms not defined herein shall have the meaning given in the Declaration, except as otherwise indicated.

The Declaration is hereby amended as follows:
1. **Section 2.2**. The first and second sentences of Section 2.2 of the Declaration are hereby deleted and replaced with the following language:

   The Declarant may, at its sole option, annex additional property into the Association to be subject to the terms hereof to the same extent as if originally included herein and subject to such other terms, covenants, conditions, easements and restrictions as may be imposed thereon by Declarant. Declarant currently anticipates that there will be a total of approximately 288 Lots in the subdivision, including the Lots on this Plat, and Lots expected to be created in property to be annexed to the subdivision, but this number may be adjusted at the sole discretion of Declarant.

2. **Section 7.3 (b)(i)** Section 7.3 (b)(i) of the Declaration is hereby deleted and replaced with the following language:

   The date that Lots representing eighty percent (80%) of Lots anticipated to be created and subject to this Declaration, including any anticipated annexation of additional Lots, have been conveyed to Owners other than Declarant ("Termination Date"); or

3. **Effect of Amendment**. Except as expressly amended hereby and by the aforementioned Amendments described within the recitals, the Declaration remains unamended and in full force and effect.

4. **Certification**. The undersigned Declarant certify that this Second Amendment has been approved in the manner required by Section 11.7 of the Declaration.

   [THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the undersigned Declarant has hereunder set its hand and seal this 12th day of May, 2004.

D.R. HORTON, INC.-PORTLAND
a Delaware Corporation

By: Mike Leohnis
Its: Vice President Land Development

OAKRIDGE ESTATES
DEVELOPMENT CORPORATION

By: Jeffery D. Smith
Its: President
STATE OF OREGON  
County of  Multnomah  

The foregoing instrument was acknowledged before me this 12 day of  May, 2004, by Mike Loomis, who is Vice President Land Development for D.R. Horton, Inc.-Portland, a Delaware corporation, on behalf of the corporation.

Notary Public for Oregon  
My commission expires February 5, 2007

STATE OF OREGON  
County of  Multnomah  

The foregoing instrument was acknowledged before me this 12 day of  May, 2004, by Jeffery D. Smith, who is President of Oakridge Estates Development Corporation, on behalf of the corporation.

Notary Public for Oregon  
My commission expires February 5, 2007
DECLARATION OF ANNEXATION TO
OAKS AT SPINGBROOK
(Oaks at Springbrook No. 3)

THIS DECLARATION OF ANNEXATION TO OAKS AT SPRINGBROOK is made as of this 15th day of November, 2004, by D.R. Horton, Inc.-Portland, a Delaware Corporation and Oakridge Estates Development Corporation, (collectively as the “Declarant”).

RECATALS

WHEREAS, Declarant is the declarant under the Declaration of Covenants, Conditions and Restrictions for Oaks at Springbrook recorded May 19, 2003, as Document #: 200311572 in the Records of Yamhill County, Oregon (the “Declaration”). Declarant also caused to be recorded those certain Plat of Oaks at Springbrook on May 19, 2003, recorded as Document #: 200311564 and the Plat of Oaks at Springbrook No. 2 on October 15, 2003, recorded in the Records of Yamhill County, Oregon as Document #: 200326443. Declarant also caused to be recorded that certain First Amendment to the Declaration of Protective Covenants for Oaks at Springbrook recorded October 15, 2003 as Document #: 200326445 in the Records of Yamhill County, Oregon. Declarant further caused to be recorded that certain Declaration of Annexation to Oaks at Springbrook (Oaks at Springbrook No. 2), on October 15, 2003, recorded in the Records of Yamhill County, Oregon as Document #: 200326444. Declarant also caused to be recorded that certain Amendment to Declaration of Annexation to Oaks at Springbrook on May 3, 2004, recorded as Document #: 200408445 in the Yamhill County Records. Declarant also caused to be recorded that certain Amendment to the First Amendment to Declaration of Protective Covenants Oaks at Springbrook recorded May 3, 2004, in the Records of Yamhill County, Oregon as Document #: 200408446. Declarant further caused to be recorded that certain Second Amendment to Declaration of Protective Covenants for Oaks at Springbrook recorded May 19, 2004, as Document #: 200409785 in the Records of Yamhill County, Oregon.

WHEREAS, pursuant to Article 2 of the Declaration, Declarant wishes to annex Oaks at Springbrook No. 3 to the Declaration and define the Associations obligations to the Additional Property.

NOW, THEREFORE, Declarant hereby declares as follows:

1. PROPERTY ANNEXED. Declarant hereby declares that all the property described below (the “Additional Property”) shall be annexed to the Declaration as Additional Property and that such property is held and shall be held, conveyed, hypothecated, encumbered,
used, occupied and improved subject to the Declaration to the same extent as if originally included in the Declaration:

All that certain, real property located in Yamhill County, Oregon, in that certain Plat entitled “Oaks at Springbrook No. 3” filed in the Plat Records of Yamhill County, Oregon, recorded the ___ day of ______________ as Document #:

_____________________.

2. **LAND CLASSIFICATIONS.** All of the land within the Additional Property is included in one or another of the following classifications:

   (a) “Lots”, which shall consist of Lots 149-172 of the Plat of the Additional Property;
   
   (b) “Common Area”, which shall consist of Tracts ‘F’ and ‘G’ of the Plat of Additional Property;
   
   (c) “Public Area”, which shall consist of the streets as shown on the Plat of the Additional Property.

3. **ASSOCIATIONS OBLIGATIONS UPON ADDITIONAL PROPERTY.** The Association hereby reserves an easement and shall pay for any maintenance, upkeep and replacement, as well as utilities pertaining to landscaping on Tracts ‘F’ and ‘G’ and abutting planter strips. Additionally, the Association shall pay for landscape maintenance, utilities and fencing within the private landscape and fence easement along lots 162-172 as described on the Plat of Oaks at Springbrook No. 3.

4. **EFFECT OF ANNEXATION.** Except as expressly amended hereby and by the amendments noted in the above Recitals, the Declaration shall remain unchanged and in full force and effect.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, Declarant has executed this Declaration of Annexation as of the day first above written.

DECLARANT: D.R. HORTON, INC.-PORTLAND
a Delaware Corporation

By: Mike Loomis, Vice President
Its: D.R. Horton, Inc.-Portland

STATE OF Oregon )
County of Multnomah ) ss.

The foregoing instrument was acknowledged before me this 15th day of November, 2004, by Mike Loomis, as Vice President, D.R. Horton, Inc.-Portland, on its behalf.

[Notary Seal]
Julie Journey
Notary Public for
My commission expires October 31, 2006

OAKRIDGE ESTATES DEVELOPMENT CORPORATION

By: Jeffery D. Smith
Its: President, Oakridge Estates Development Corporation

STATE OF Oregon )
County of Multnomah ) ss.

The foregoing instrument was acknowledged before me this 15th day of November, 2004, by Jeffery D. Smith, as President, Oakridge Estates Development Corporation, on its behalf.

[Notary Seal]
Julie Journey
Notary Public for
My commission expires October 31, 2006

3/3
DECLARATION OF ANNEXATION TO
OAKS AT SPRINGBROOK
(Oaks at Springbrook No. 4)

THIS DECLARATION OF ANNEXATION TO OAKS AT SPRINGBROOK is made as of this 3rd day of January, 2004, by D.R. Horton, Inc.-Portland, a Delaware Corporation and Oakridge Estates Development Corporation, (collectively as the "Declarant").

RECITALS

WHEREAS, Declarant is the declarant under the Declaration of Covenants, Conditions and Restrictions for Oaks at Springbrook recorded May 19, 2003, as Document #: 200311572 in the Records of Yamhill County, Oregon (the "Declaration"). Declarant also caused to be recorded those certain Plat of Oaks at Springbrook on May 19, 2003, recorded as Document #: 200311564 and the Plat of Oaks at Springbrook No. 2 on October 15, 2003, recorded in the Records of Yamhill County, Oregon as Document #: 200326443. Declarant also caused to be recorded that certain First Amendment to the Declaration of Protective Covenants for Oaks at Springbrook recorded October 15, 2003 as Document #: 200326445 in the Records of Yamhill County, Oregon. Declarant further caused to be recorded that certain Declaration of Annexation to Oaks at Springbrook (Oaks at Springbrook No. 2), on October 15, 2003, recorded in the Records of Yamhill County, Oregon as Document #: 200326444. Declarant also caused to be recorded that certain Amendment to Declaration of Annexation to Oaks at Springbrook on May 3, 2004, recorded as Document #: 200408445 in the Yamhill County Records. Declarant also caused to be recorded that certain Amendment to the First Amendment to Declaration of Protective Covenants Oaks at Springbrook recorded May 3, 2004, in the Records of Yamhill County, Oregon as Document #: 200408446. Declarant further caused to be recorded that certain Second Amendment to Declaration of Protective Covenants for Oaks at Springbrook recorded May 19, 2004, as Document #: 200409785 in the Records of Yamhill County, Oregon. Declarant further caused to be recorded that certain Declaration of Annexation to Oaks at Springbrook (Oaks at Springbrook No. 3), on December 30, 2004, recorded in the Records of Yamhill County, Oregon as Document #: 200426778.

WHEREAS, pursuant to Article 2 of the Declaration, Declarant wishes to annex Oaks at Springbrook No. 4 to the Declaration and define the Associations obligations to the Additional Property.

NOW, THEREFORE, Declarant hereby declares as follows:
1. **PROPERTY ANNEXED.** Declarant hereby declares that all the property described below (the "Additional Property") shall be annexed to the Declaration as Additional Property and that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the Declaration to the same extent as if originally included in the Declaration:

All that certain, real property located in Yamhill County, Oregon, in that certain Plat entitled "Oaks at Springbrook No. 4" filed in the Plat Records of Yamhill County, Oregon, recorded the 25th day of January, 2005 as Document #:

2005-01702.

2. **LAND CLASSIFICATIONS.** All of the land within the Additional Property is included in one or another of the following classifications:

   (a) "Lots", which shall consist of Lots 173-206 of the Plat of the Additional Property;

   (b) "Common Area", which shall consist of Tracts ‘H’ of the Plat of Additional Property;

   (c) "Public Area", which shall consist of the streets as shown on the Plat of the Additional Property.

3. **ASSOCIATIONS OBLIGATIONS UPON ADDITIONAL PROPERTY.**

Except at otherwise provided, the Association hereby reserves an easement and shall pay for any maintenance, upkeep and replacement of any Declarant installed improvements within the boundaries of Tracts ‘H’. Additionally, the Association reserves an easement and shall pay for landscape maintenance, utilities and fencing within the Private Fence and Landscape Easement including the abutting planter strip along Hayes Street affecting lots 173 and 193 through 200 as shown on the Plat of Additional Property. Further, the Association reserves an easement and shall pay for maintenance and upkeep of the retaining wall along the rear of lots 173 through 183 as shown on the Plat of Additional Property.

4. **EFFECT OF ANNEXATION.** Except as expressly amended hereby and by the amendments noted in the above Recitals, the Declaration shall remain unchanged and in full force and effect.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, Declarant has executed this Declaration of Annexation as of the day first above written.

DECLARANT: D.R. HORTON, INC.-PORTLAND
a Delaware Corporation

By: Mike Loomis, Vice President
Its: D.R. Horton, Inc.-Portland

STATE OF Oregon ss.
County of Multnomah

The foregoing instrument was acknowledged before me this 3rd day of January, 2006, by Mike Loomis, as Vice President, D.R. Horton, Inc.-Portland, on its behalf.

Notary Public for My commission expires October 31, 2006

OAKRIDGE ESTATES DEVELOPMENT CORPORATION

By: Jeffery D. Smith
Its: President, Oakridge Estates Development Corporation

STATE OF Oregon ss.
County of Multnomah

The foregoing instrument was acknowledged before me this 3rd day of January, 2006, by Jeffery D. Smith, as President, Oakridge Estates Development Corporation, on its behalf.

Notary Public for My commission expires October 31, 2006
AMENDMENT TO
DECLARATION OF ANNEXATION TO
OAKS AT SPRINGBROOK
(Oaks at Springbrook No. 4)

WHEREAS, the Declaration of Protective Covenants for Oaks at Springbrook ("Declaration") was recorded May 19, 2003, Document #: 200311572 in the records of Yamhill County, Oregon;

WHEREAS, the Declaration of Annexation to Oaks at Springbrook (Oaks at Springbrook No. 4) ("Declaration of Annexation") was recorded January 25, 2005 as Document #: 200501704 in the records of Yamhill County, Oregon;

WHEREAS, the Plat entitled, Oaks at Springbrook No. 4, recorded on January 25, 2005 as Document #: 200501702 in the records of Yamhill County, Oregon;

WHEREAS, the undersigned Declarant desires to amend said Declaration of Annexation and is Owner of a majority of the lots in Oaks at Springbrook, described in and subject to the Declaration.

NOW THEREFORE, said Declaration of Annexation is hereby amended as follows:

Amend Section 2, Subsection (b) as follows: Delete entire subsection (b)

Amend Section 2, Subsection (c) as follows: Insert "and Public Right-of-Ways" between "...streets" and "as shown..."

Amend Section 2, Subsection (c) as follows: Re-label this subsection (b)

Amend Section 3, as follows: Delete a portion of line one, all of line two and a portion of line three to remove the following text, "...the Association hereby reserves an easement and shall pay for any maintenance, upkeep and replacement of any Declarant installed improvements within the boundaries of Tracts "H". Additionally,..."

All other provisions of said Declaration of Annexation shall remain unchanged.
IN WITNESS WHEREOF, Declarant has executed this Amendment to said Declaration of Annexation this 5th day of April, 2005.

D.R. HORTON, INC.-PORTLAND
a Delaware Corporation

By: Mike Loomis, Vice President
Its: D.R. Horton, Inc.-Portland

OAKRIDGE ESTATES DEVELOPMENT CORPORATION

By: Jeffery D. Smith
Iits: President, Oakridge Estates Development Corporation

STATE OF OREGON )
) ss.
County of Multnomah )

The foregoing instrument was acknowledged before me this 5th day of April, 2005, by Mike Loomis, as Vice President, D.R. Horton, Inc.-Portland, on its behalf.

Jeanene Evans Pehlke
Notary Public for Oregon
My commission expires 12-31-03

STATE OF OREGON )
) ss.
County of Multnomah )

The foregoing instrument was acknowledged before me this 5th day of April, 2005, by Jeffery D. Smith, as President, Oakridge Estates Development Corporation, on its behalf.

Jeanene Evans Pehlke
Notary Public for Oregon
My commission expires 12-31-08
Assignment of Declarant Rights and Naming of Sole Declarant for Oaks at Springbrook

Recitals

WHEREAS, D.R. Horton, Inc.-Portland, a Delaware corporation ("Assignee") and Oakridge Estates Development Corporation, an Oregon corporation ("Assignor") collectively are the original co-declarants of that certain Declaration of Covenants, Conditions and Restrictions for Oaks at Springbrook (together with any modifications or amendments thereto, if any, the "Declaration") that was recorded on May 19, 2003 as Doc. No. 200311572 in the Yamhill County records.

WHEREAS, Assignor desires to assign all rights of the Assignor under the Declaration to Assignee and Assignee desires to accept such assignment of rights.

WHEREAS, both the Assignee and the Assignor seek to remove the Assignor as a designated co-declarant with respect to the Declaration so that the Assignee may exist as the sole declarant under such Declaration.

NOW, THEREFORE, in consideration of the Recitals set forth above, which are contractual and incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignee and Assignor mutually agree as follows:

1. Assignor hereby assigns all declarant rights and benefits that Assignor may be entitled to under the Declaration to Assignee. Further, Assignor resigns its position as a co-declarant under the Declaration so that Assignee may act as the sole declarant with respect to such Declaration.

2. Assignee accepts such assignment of declarant rights and benefits under the Declaration from Assignor. In addition, Assignee accepts Assignor's resignation as a co-declarant under the Declaration and from this date forward shall act as the sole declarant under the Declaration.

3. Assignee and Assignor do hereby execute this document in their respective capacities with full acknowledgement and understanding of same.

4. This assignment shall be governed by and construed in accordance with the laws of the State of Oregon.
5. Except as otherwise provided herein, all terms, conditions and provisions of the Declaration shall remain the same and in full force and effect.

6. This assignment may be executed in counterparts, each of which, when taken together shall constitute fully executed originals.

IN WITNESS HEREOF, the undersigned hereby execute this document as of this, 26th day of April, 2005.

ASSIGNOR:

Oakridge Estates Development Corporation, an Oregon corporation

[Signature]

By: Jeffery D. Smith, President

STATE OF OREGON )
) ss
County of Multnomah )

This instrument was acknowledged before me on April 26, 2005, by Jeffery D. Smith, as President of Oakridge Estates Development Corporation, an Oregon corporation, who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal to the day and year last above written.

[Notary Public Signature]

My commission Expires: 12-26-08

[ASSIGNEE SIGNATURE ON FOLLOWING PAGE]
ASSIGNEE:

D.R. Horton, Inc.-Portland, a Delaware corporation

By: Ryan M. Selby, Division President

STATE OF OREGON )
) ss
County of Multnomah )

This instrument was acknowledged before me on April 26, 2005, by Ryan M. Selby, as Division President of D.R. Horton, Inc.-Portland, who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal to the day and year last above written.

JEANEVE EVANS PEHLKE
NOTARY PUBLIC-OREGON
COMMISSION NO. 387964
MY COMMISSION EXPIRES DECEMBER 26, 2008

My commission Expires: 12-26-08
DECLARATION OF ANNEXATION TO
OAKS AT SPRINGBROOK
(Oaks at Springbrook No. 5)

THIS DECLARATION OF ANNEXATION TO OAKS AT SPRINGBROOK is
made as of this 28th day of March, 2005, by D.R. Horton, Inc.-Portland,
a Delaware Corporation and Oakridge Estates Development Corporation, (collectively as the
"Declarant").

RECITALS

WHEREAS, Declarant is the declarant under the Declaration of Covenants, Conditions
and Restrictions for Oaks at Springbrook recorded May 19, 2003, as Document #: 200311572 in
the Records of Yamhill County, Oregon (the “Declaration”). Declarant also caused to be
recorded those certain Plat of Oaks at Springbrook on May 19, 2003, recorded as Document #: 200311564 and the Plat of Oaks at Springbrook No. 2 on October 15, 2003, recorded in the
Records of Yamhill County, Oregon as Document #: 200326443. Declarant also caused to be
recorded that certain First Amendment to the Declaration of Protective Covenants for Oaks at
Springbrook recorded October 15, 2003 as Document #: 200326445 in the Records of Yamhill
County, Oregon. Declarant further caused to be recorded that certain Declaration of Annexation
to Oaks at Springbrook (Oaks at Springbrook No. 2), on October 15, 2003, recorded in the
Records of Yamhill County, Oregon as Document #: 200326444. Declarant also caused to be
recorded that certain Amendment to Declaration of Annexation to Oaks at Springbrook on May
3, 2004, recorded as Document #: 200408445 in the Yamhill County Records. Declarant also
causd to be recorded that certain Amendment to the First Amendment to Declaration of
Protective Covenants Oaks at Springbrook recorded May 3, 2004, in the Records of Yamhill
County, Oregon as Document #: 200408446. Declarant further caused to be recorded that certain
Second Amendment to Declaration of Protective Covenants for Oaks at Springbrook recorded
May 19, 2004, as Document #: 200409785 in the Records of Yamhill County, Oregon. Declarant
further caused to be recorded that certain Declaration of Annexation to Oaks at Springbrook
(Oaks at Springbrook No. 3), on December 30, 2004, recorded in the Records of Yamhill
County, Oregon as Document #: 200426478. Declarant further caused to be recorded that certain
Declaration of Annexation to Oaks at Springbrook (Oaks at Springbrook No. 4), on January 25,
2005, recorded in the Records of Yamhill County, Oregon as Document #: 200501702.

WHEREAS, pursuant to Article 2 of the Declaration, Declarant wishes to annex Oaks at
Springbrook No. 5 to the Declaration and define the Associations obligations to the Additional
Property.
NOW, THEREFORE, Declarant hereby declares as follows:

1. **PROPERTY ANNEXED.** Declarant hereby declares that all the property described below (the "Additional Property") shall be annexed to the Declaration as Additional Property and that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the Declaration to the same extent as if originally included in the Declaration:

   All that certain, real property located in Yamhill County, Oregon, in that certain Plat entitled "Oaks at Springbrook No. 5" filed in the Plat Records of Yamhill County, Oregon, recorded concurrently herewith.

2. **LAND CLASSIFICATIONS.** All of the land within the Additional Property is included in one or another of the following classifications:

   (a) "Attached Homes", which shall consist of Lots 207-288 of the Plat of the Additional Property;
   (b) "Common Area", which shall consist of Tracts ‘H’, ‘I’, ‘J’ and ‘K’ of the Plat of Additional Property;
   (c) "Public Area", which shall consist of the streets as shown on the Plat of the Additional Property.

3. **ASSOCIATIONS OBLIGATIONS UPON ADDITIONAL PROPERTY.** All of the Additional Property is subject to the notes and easements as shown on the Plat. Except as otherwise provided, the Association hereby reserves an easement and shall pay for any maintenance, upkeep and replacement of any Declarant installed improvements within the boundaries of Tracts ‘H’, ‘I’, ‘J’, ‘K’, the Private Fence and Landscape Easement abutting the Property along Brutscher Street and Hayes Street including sidewalks and planter strips, the Private Retaining Wall Easement abutting the Property along Hayes Street and all front and street-side yard landscape as described in the Declaration. In addition, the Association hereby reserves an easement and shall pay for exterior maintenance of the Building Structure for all Attached Homes as described in the First Amendment to Declaration of Protective Covenants for Oaks at Springbrook.

4. **EFFECT OF ANNEXATION.** Except as expressly amended hereby and by the amendments noted in the above Recitals, the Declaration shall remain unchanged and in full force and effect.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, Declarant has executed this Declaration of Annexation as of the day first above written.

DECLARANT: D.R. HORTON, INC.-PORTLAND  

ea Delaware Corporation

By: Mike Loomis, Vice President  
Its: D.R. Horton, Inc.-Portland

STATE OF OREGON )  
) ss.  
County of Multnomah )

The foregoing instrument was acknowledged before me this 28th day of March, 2005, by Mike Loomis, as Vice President, D.R. Horton, Inc.-Portland, on its behalf.

OFFICIAL SEAL  
JEANENE EVANS PEHLKE  
NOTARY PUBLIC-OREGON  
COMMISSION NO. 387964  
MY COMMISSION EXPIRES DECEMBER 26, 2008  

OAKRIDGE ESTATES DEVELOPMENT CORPORATION

By: Jeffery D. Smith  
Its: President, Oakridge Estates Development Corporation

STATE OF OREGON )  
) ss.  
County of Multnomah )

The foregoing instrument was acknowledged before me this 28th day of March, 2005, by Jeffery D. Smith, as President, Oakridge Estates Development Corporation, on its behalf.

OFFICIAL SEAL  
JEANENE EVANS PEHLKE  
NOTARY PUBLIC-OREGON  
COMMISSION NO. 387964  
MY COMMISSION EXPIRES DECEMBER 26, 2008  

3/3
THIRD AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR OAKS AT SPRING BROOK

THIS THIRD AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR OAKS AT SPRING BROOK (this "Third Amendment") is made and entered into effective this 2nd day of May 2005, by D.R. Horton, Inc.-Portland, a Delaware Corporation (the "Declarant").

RECITALS:

WHEREAS, Declarant is the declarant under the Declaration of Covenants, Conditions and Restrictions for Oaks at Springbrook recorded May 19, 2003, as Document #: 200311572 in the Records of Yamhill County, Oregon (together with all amendments and modifications thereto, the "Declaration"). Declarant also caused to be recorded those certain Plat of Oaks at Springbrook on May 19, 2003, recorded as Document #: 200311564 and the Plat of Oaks at Springbrook No. 2 on October 15, 2003, recorded in the Records of Yamhill County, Oregon as Document #: 200326443. Declarant also caused to be recorded that certain First Amendment to Declaration of Protective Covenants for Oaks at Springbrook recorded October 15, 2003 as Document #: 200326445 in the Records of Yamhill County, Oregon. Declarant further caused to be recorded that certain Declaration of Annexation to Oaks at Springbrook (Oaks at Springbrook No. 2), on October 15, 2003, recorded in the Records of Yamhill County, Oregon as Document #: 200326444. Declarant also caused to be recorded that certain Amendment to Declaration of Annexation to Oaks at Springbrook on May 3, 2004, recorded as Document #: 200408445 in the Yamhill County Records. Declarant also caused to be recorded that certain Amendment to the First Amendment to Declaration of Protective Covenants Oaks at Springbrook recorded May 3, 2004, in the Records of Yamhill County, Oregon as Document #: 200408446. Declarant further caused to be recorded that certain Second Amendment to Declaration of Protective Covenants for Oaks at Springbrook recorded May 19, 2004, as Document #: 200409785 in the Records of Yamhill County, Oregon. Declarant further caused to be recorded that certain Declaration of Annexation to Oaks at Springbrook (Oaks at Springbrook No. 3), on December 30, 2004, recorded in the Records of Yamhill County, Oregon as Document #: 200426478. Declarant further caused to be recorded that certain Declaration of Annexation to Oaks at Springbrook (Oaks at Springbrook No. 4), on January 25, 2005, recorded in the Records of Yamhill County, Oregon as Document #: 200501704. Declarant further caused to be recorded that certain Plat entitled Oaks at Springbrook No.
4, on January 25, 2005, recorded in the Records of Yamhill County, Oregon as Document #: 200501702. Declarant further caused to be recorded that certain Amendment to Declaration of Annexation to Oaks at Springbrook (Oaks at Springbrook No. 4), on April 11, 2005, recorded in the Records of Yamhill County, Oregon as Document #: 200507190. Declarant further caused to be recorded that certain Assignment of Declarant Rights and Naming of Sole Declarant for Oaks at Springbrook, dated April 26, 2005, recorded in the Records of Yamhill County, Oregon.

WHEREAS, Pursuant to Section 11.6 of the Declaration, Declarant desires to amend the Declaration as provided herein. Capitalized terms not defined herein shall have the meaning given in the Declaration, except as otherwise indicated.

NOW THEREFORE, the Declaration is hereby amended as follows:

1. **Section 3.4(e).** Section 3.4(e) of the Declaration (as amended by that certain First Amendment to Declaration of Protective Covenants for Oaks at Springbrook recorded October 15, 2003 as Document #: 200326445 in the Records of Yamhill County, Oregon) is hereby amended by adding the following language at the end of such Section 3.4(e):

   Such improvements shall be deemed to include any common utility lines and associated common utility equipment located upon the exterior of the Attached Homes which service the Attached Homes. Common utility lines and associated common utility equipment located upon the exterior of the Attached Homes which service the Attached Homes shall be considered a part of the Building Structure, to be maintained by the Association.

2. **Section 4.20.** Section 4.20 of the Declaration (as amended by that certain First Amendment to Declaration of Protective Covenants for Oaks at Springbrook recorded October 15, 2003 as Document #: 200326445 in the Records of Yamhill County, Oregon) is hereby amended by deleting the first sentence of the second paragraph in its entirety and adding the following sentence in its place:

   Attached Homes will be provided with exterior building maintenance to include painting, staining, restaining, repairing and replacing of exterior surfaces, including roofs and roof overhangs; and maintaining, repairing and replacing exterior lighting fixtures, the exterior portions of chimneys, common utility lines and associated common utility equipment located upon the exterior of the Attached Homes, rain gutters, down spouts, and roof and foundation drainage systems.

The remainder of Section 4.20 of the Declaration (as amended by that certain First Amendment to Declaration of Protective Covenants for Oaks at Springbrook recorded October 15, 2003 as Document #: 200326445 in the Records of Yamhill County, Oregon) shall remain unchanged.
3. **Effect of Amendment.** Except as expressly amended hereby and by the aforementioned documents described within the recitals, the Declaration remains unchanged and in full force and effect.

4. **Certification.** The undersigned Declarant certifies that this Third Amendment has been approved in the manner required by Section 11.6 and/or Section 11.9 of the Declaration.

IN WITNESS WHEREOF, the undersigned Declarant has hereunder set its hand and seal this 2nd day of May, 2005.

D.R. HORTON, INC.-PORTLAND
a Delaware Corporation

By: Mike Loomis
Its: Vice President Land Development

STATE OF oregon  )
County of *MULTNOMAH*  )
) ss.

The foregoing instrument was acknowledged before me this 2nd day of May 2005, by Mike Loomis, who is Vice President Land Development for D.R. Horton, Inc.-Portland, a Delaware corporation, on behalf of the corporation.

Margaret L. *Nguyen*
Notary Public for Oregon
My commission expires 04-26-09

3/4
Oaks at Springbrook Homeowners Association

By: ________________________________
    Mike Loomis
    Director on behalf of the Association

STATE OF Oregon )
    ss.
County of Multnomah )

The foregoing instrument was acknowledged before me this 2nd day of May, 2005, by Mike Loomis who is a Director of "Oaks at Springbrook Homeowners Association" on behalf of the Association.

By: ________________________________
    Jeanene Pehlke
    Director on behalf of the Association

STATE OF Oregon )
    ss.
County of Multnomah )

The foregoing instrument was acknowledged before me this 2nd day of May, 2005, by Jeanene Pehlke who is a Director of "Oaks at Springbrook Homeowners Association" on behalf of the Association.

Margaret L. Gazdagh
Notary Public for Oregon
My commission expires 04-26-09

Margaret L. Gazdagh
Notary Public for Oregon
My commission expires 04-26-09
BYLAWS
OF OAKS AT SPRINGBROOK
HOMEOWNERS ASSOCIATION

ARTICLE I
DEFINITIONS

In construing these Bylaws,

1.1 "Association" means the nonprofit corporation as defined in these Bylaws and the corporation's successors and assigns.

1.2 "Board" means the Board of Directors of this Corporation constituted in accordance with Article V of these Bylaws.

1.3 "Common Area" means those areas designated as private tracts or common or open space on any plat of any portion of the Property.

1.4 "Corporation" means Oaks at Springbrook Homeowners Association, an Oregon nonprofit corporation.

1.5 "Declarant" means D. R. Horton, Inc.-Portland, and Oakridge Estates Development Corporation, and the successors and assigns if such successor or assignee should acquire: (i) Declarant's interest in the Property or (ii) all of Declarant's rights under the Declaration pursuant to a recorded instrument executed by Declarant.

1.6 "Declaration" means the Declaration of Covenants, Conditions and Restrictions for Oaks at Springbrook, and all of the easements, covenants, restrictions and charges set forth therein, together with any rules or regulations promulgated thereunder, as the same may be amended or supplemented from time to time in accordance with the provisions thereof.

1.7 "Director" means a director of the Corporation as described in and elected in accordance with Article V of these Bylaws.

1.8 "Improvement" means every structure or improvement of any kind, including but not limited to a fence, wall, street, sidewalk, driveway, trees, hedges or plantings, or other product of construction efforts on or in respect to the Common Area. "Improvement" does not include maintenance of turf, shrubs or trees.
1.9 "Lot" means a platted or partitioned lot or tract within the Property, with the exception of any tract or lot marked on any plat of any portion of the Property as common or open space. Each Lot shall constitute a private area for the exclusive use and enjoyment of the Owner of such Lot.

1.10 "Officer" means an officer of the Corporation as described in and elected in accordance with Article VI of these Bylaws.

1.11 "Owner" means any person or entity, including the Declarant, at any time owning a Lot, including any vendee under a recorded land sale contract to whom possession has passed, but does not include a tenant or holder of a leasehold interest or a person holding only a security interest in a Lot, including any vendor under a recorded land sale contract who has surrendered possession.

1.12 "President" means the President of the Corporation as described in Article VI, Section 5 of these Bylaws.

1.13 "Property" means the real property legally described in the Declaration.

1.14 "Secretary" means the Secretary of the Corporation as described in Article VI, Section 6 of these Bylaws.

1.15 "Successor Declarant" means the transferee of any Special Declarant Rights.

1.16 "Treasurer" means the Treasurer of the Corporation as described in Article VI, Section 7 of these Bylaws.

1.17 "Turnover Date" means the date on which the Declarant elects in writing to terminate the Class B membership.

All other capitalized terms not otherwise defined in these Bylaws shall have the meaning given to them in the Declaration.

ARTICLE II
OFFICES

The principal office of the Corporation in the State of Oregon shall be in a location determined by the Board. The Corporation may have such other offices, either within or without the State of Oregon, as the Board may determine or as the affairs of the Corporation require from time to time. The Corporation shall have and continuously maintain in the State of Oregon a registered office, and a registered agent whose office is identical with such registered office, as required by the nonprofit corporation laws of the State of Oregon. The registered office may be, but need not be, identical with the principal office in the State of Oregon, and the address of the registered office may be changed from time to time by the Board.
ARTICLE III
MEMBERSHIP, VOTING RIGHTS, AND POWERS AND OBLIGATIONS

Section 1. Membership. Every Owner of one or more Lots shall, immediately upon creation of the Corporation and thereafter during the entire period of such Owner's ownership of one or more Lots, be a member of the Corporation. Membership shall be appurtenant to and shall not be separated from ownership of any Lot. Such membership shall commence, exist, and continue simply by virtue of such ownership, shall automatically expire upon termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

Section 2. Suspension. All voting rights of a Member shall be suspended during any period in which such Member is delinquent in the payment of an assessment duly established pursuant to Section 10.2 of the Declaration or is otherwise in default hereunder or under the Declaration or Rules and Regulations of the Association. The Board of Directors may also suspend the Member's right to use of any of the Common Areas during such period of default.

Section 3. Voting Rights. Voting rights within the Corporation shall be allocated as follows:

(a) Lots. Except as provided in clause (b) of this Section 3, Lots shall be allocated one vote per Lot.

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

Class A. Class A members shall be all Owners with the exception of Declarant (except that beginning on the date on which the Class B membership is converted to Class A membership, and thereafter, Class A members shall be all Owners, including Declarant). Class A members shall be entitled to voting rights for each Lot owned, computed in accordance with Article III, Section 3(a). When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as such persons among themselves determine, but in no event shall more votes be cast with respect to any Lot than as set forth in Article III, Section 3(a). If such persons cannot agree upon the vote, the vote of the Lot shall be disregarded in determining the proportion of votes with respect to the particular matter at issue.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) times the voting rights computed under Article III, Section 3(a) for each Lot owned by Declarant. The Class B membership shall cease and be converted to Class A membership on the occurrence of either Declarant's election in writing to terminate the Class B membership, or within ninety (90) days from the date that eighty percent (80%) of all Lots have been conveyed to Owners.

Section 4. Powers and Obligations. The Corporation shall have, exercise and perform all of the following powers, duties, and obligations:
(a) **Declaration.** The powers, duties and obligations granted to the Corporation by its Articles of Incorporation, the Declaration, and these Bylaws.

(b) **Statutory Powers.** The powers, duties, and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Oregon and of a homeowners association of a planned community pursuant to the Oregon Planned Community Act, as either be amended from time to time.

(c) **General.** Any additional or different powers, duties and obligations necessary or desirable for the purpose of carrying out the functions of the Corporation pursuant to the Declaration or otherwise promoting the general benefit of the Owners within the Property. The powers and obligations of the Corporation may from time to time be amended, repealed, enlarged or restricted by changes in the Declaration made in accordance with the provisions therein, accompanied by changes in the Articles of Incorporation of the Corporation or these Bylaws made in accordance with such instruments and with the nonprofit corporation laws of the State of Oregon.

**ARTICLE IV**

**MEETINGS OF OWNERS**

Section 1. **Annual Meetings Prior to Turnover Meeting.** Prior to the Turnover Meeting, as defined below, a meeting of Owners shall be held annually. Such meeting shall be called in accordance with Section 3 below.

Section 2. **Meetings to Elect Directors; Annual Meetings Following Turnover Meeting.** The first meeting of the Owners held for the purpose of electing Directors pursuant to this Article IV shall be the Turnover Meeting (the "Turnover Meeting"), which shall be the initial meeting of the Corporation for purposes of ORS 94.635(1). The second annual meeting and subsequent annual meetings of the Corporation shall be held within 30-days of the anniversary date of the first annual meeting. Each such meeting shall be called in accordance with Section 3 below.

Section 3. **Notice of Meeting.** Any meeting held pursuant to this Article IV shall be held on such date, at such time, and at such place within Yamhill County, Oregon, as may be designated by the Secretary. Written notice of each meeting of the Owners under this Article IV shall be given by, or at the direction of, the Secretary or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting, but not more than fifty (50) days before such meeting, to each Owner entitled to vote thereat, addressed to the Owner's address last appearing on the books of the Corporation, or supplied by such Owner to the Corporation for the purpose of notice, and to any mortgagee having requested notice thereof. Mortgagees of a Lot may designate a representative to attend a meeting called under this Section 3. Such notice shall specify the place, day, and hour of the meeting, and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, or any proposal to remove a Director or Officer. Notice of any such meeting may be waived by any Owner at any time. No Owner who is present at a meeting may object to the adequacy or timeliness of the notice given.
Section 4. Proxies; Quorum; Voting. Except as provided in Section 7.3 of the Declaration, each Owner and Declarant shall have the number of votes provided for in Article III, Section 3. Any Owner may give a proxy to any person, so long as such proxy is in writing, signed by such Owner, and filed with the Secretary. A proxy shall expire on the earlier of: (i) eleven (11) months after the date of the proxy or (ii) the date of the sale of the Owner's Lot by its Owner. The presence, in person or by proxy, of Owners together entitled to cast at least 20% of the total votes entitled to be cast at any meeting shall constitute a quorum. Unless a greater percentage is required by law or the Declaration, the affirmative vote of a majority of the votes represented and voting shall constitute the act of the Owners. Voting of the Owners may be by mail with respect to any matter before the Owners. In any case in which voting by mail is necessary or desirable, the Secretary shall give written notice to all Owners at least (10) days before written ballots are scheduled to be mailed or otherwise delivered. If, at least three (3) days before written ballots are scheduled to be mailed or otherwise delivered at least ten percent (10%) of the Owners petition the Board requesting secrecy procedures, a written ballot shall be accompanied by a secrecy envelope, a return identification envelope to be signed by the Owner and instructions for marking and returning the ballot. Any vote by mail shall: (a) include a written resolution setting forth the proposed action, (b) state that the Owners are entitled to vote by mail for or against such resolution, (c) if the proposed action otherwise would require a meeting at which a certain quorum must be present and/or at which a certain percentage of total votes cast is required to authorize the proposed action, state the number of responses needed to meet such quorum requirement and/or the required percentage of total votes needed for approval, and (d) specify that the date by which all votes must be received at the principal office of the Corporation is the earlier of a date not less than twenty-five (25) days after the date of such notice. Votes received after the date specified shall be of no effect.

Section 5. Annual Meetings. At any annual meeting of Owners, the President, and any other Officer the Board or the President may designate, shall report on the activities and financial condition of the Corporation.

Section 6. Special Meetings. Special meetings of the Owners may be called at any time by the President or a majority of the Board, or upon written request of Owners who are entitled to vote at least 25% of all of the votes of the Class A members. Business transacted at a special meeting shall be restricted to the purposes set forth in the notice thereof.

ARTICLE V
BOARD OF DIRECTORS

Section 1. General. The affairs of the Corporation shall be managed by the Board, which shall be comprised of the number of Directors determined as provided in Section 2 of this Article V. The Board shall have all requisite power, duty and authority to perform its obligations under the Declaration, the Articles of Incorporation, these Bylaws, the nonprofit corporation laws of the State of Oregon and the Planned Community Act, including, without limitation, the power, duty, and authority to enforce the provisions of the Declaration and these Bylaws and to acquire and pay for, out of the funds provided by assessments pursuant to the Declaration, all goods and
services necessary or appropriate for the proper functioning of the Corporation in accordance with the Declaration and these Bylaws.

Section 2. Number; Appointment by Declarant Prior to Turnover Meeting. Prior to the Turnover Meeting, the Directors shall not be required to be Owners and up to three (3) Declarant appointed Directors shall serve as the Board. After the Turnover Meeting, the Board shall be comprised of five (5) Directors and all Directors shall also be Owners. On the date of the Turnover Meeting, the Directors appointed by Declarant shall submit their resignations, effective upon the election of successors as provided in this Article V, Section 2. At and after the Turnover Meeting, the Directors shall be elected in the manner provided in this Article V, Section 3. Voting for Directors shall not be cumulative.

Section 3. Election of Directors. At and after the Turnover Meeting, all Directors shall be elected by a majority vote of the Owners who cast votes, whether in person, by proxy, or by mail, taken at the annual meeting or at a special meeting called therefor, with each Owner entitled to the votes specified in Article III, Section 3.

Section 4. Terms of Directors.

4.1 The Directors elected at the Turnover Meeting shall serve until the first annual meeting of the Corporation.

4.2 At the first annual meeting of the Corporation, the Owners shall elect one Director for a term of one year, two for a term of two years and two for a term of three years.

4.3 Except as provided in Article V, Sections 4.1 and 4.2, all Directors shall serve three-year terms. Any Director may serve more than one term.

Section 5. Resignation. Any Director may resign at any time by sending a written notice of such resignation to the Secretary. Unless otherwise specified in such notice, a resignation shall take effect upon receipt of the notice by the Secretary.

Section 6. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association present at a duly called Meeting of the Members. The quorum provision for a Meeting of Members shall apply.

Section 7. Vacancies. Vacancies on the Board caused by the death, resignation or removal of a Director shall be filled by vote of the majority of the remaining Directors, even if they constitute less than a quorum. Any Director so elected shall serve the remainder of the replaced Director's term.

Section 8. Meetings of the Board.

8.1 The initial meeting of the Board shall occur within ninety (90) days after the date the Articles of Incorporation for the Corporation are filed.

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8.2 All meetings of the Board shall be open to all Owners, except that at the discretion of the Board, the following matters may be considered in executive session, as provided by law now or in the future: (a) consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation, or criminal matters; (b) personnel matters, including salary negotiations and employee discipline; and (c) the negotiation of contracts with third parties. For other than emergency meetings and executive sessions, notice of Board meetings shall be mailed to all Owners, at the last address for each Owner in the records of the Corporation, not less than ten (10) days before the meeting; or posted at a place or places on the Property at least three (3) days prior to the meeting; or provided by a method otherwise reasonably calculated to inform Owners of the meeting. Except in an emergency, the Board shall vote in an open meeting whether to meet in an executive session. If the Board votes to meet in executive session, the President shall state the general nature of the action to be considered and when and under what circumstances the deliberations can be disclosed to Members.

8.3 The Board shall meet at least annually, within thirty (30) days after each annual meeting of the Owners. At each annual meeting, the Board shall adopt a budget for the following fiscal year and determine the amount of the Regular Assessment (as defined in the Declaration) for such year. Within thirty (30) days after adopting the annual budget, the Board shall provide a summary of the budget to all owners. In addition, the Treasurer shall present to the Board a report on the financial condition of the Corporation, including a report of receipts and disbursements for the preceding calendar year, the allocation thereof to each Lot, and the estimated receipts and expenses for the coming year. If the Board fails to adopt a budget, the last adopted annual budget shall continue in effect.

8.4 Special meetings of the Board may be called at any time by the President or two Directors. Such meetings shall be scheduled by the Secretary within thirty (30) days after the Secretary's receipt of written requests signed by two or more Directors; provided that if the purpose of a special meeting is to elect a successor Secretary pursuant to Section 2 of Article VI or to consider removal of the Secretary pursuant to Section 3 of Article VI, such meeting may be scheduled by the President or, if the meeting is also for the purpose of electing a successor President or removing the President, any other Director.

8.5 Meetings of the Board shall be held at such place within Yamhill or Washington County, Oregon, as may be designated from time to time by the Board. However, the organizational initial Board meeting and annual Board meeting prior to Turnover Date may be held in Yamhill, Washington, Clackamas or Multnomah Counties.

8.6 The Secretary shall give at least two days' written notice to each Director of special meetings of the Board, stating the date, time, and place of the meeting. To the extent notice is required, it shall be sent to the address of each Director as listed on the books of the Corporation, or to such other address as any Director may designate by written notice to the Secretary given at least ten (10) days prior to the giving of notice of the meeting. Notice of any meeting may be waived by any Director at any time. No Director who is present at a meeting may object to the adequacy or timeliness of the notice given. When a meeting is adjourned for
fewer than thirty (30) days, whether or not a quorum is present at the adjourned meeting, no notice of the resumption or reconvening of such adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

Section 9. Voting by the Board. Each Director shall have one vote. So long as a quorum is constituted, the vote of Directors together holding more than 50% of the total votes shall be a binding vote of the Board for all purposes, unless a greater percentage is required by law or the Declaration.

Section 10. Quorum. The presence in person of a majority of the Directors shall constitute a quorum for voting at a Board meeting. The Board shall have the power to adjourn a meeting even if less than a quorum is present.

Section 11. Removal. Any Director, other than a Director appointed by Declarant, may be removed, with or without cause, by the majority vote of Owners present and entitled to vote at any meeting of the Owners at which a quorum is present. No removal of a Director is effective unless the matter of removal was included in the notice of the meeting and listed as an item on the agenda. At such meeting, the Owners shall elect a replacement Director to serve the remainder of the replaced Director's term.

Section 12. Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for the Director's actual expenses incurred in the performance of his or her duties.

Section 13. Committees. The Board may from time to time establish committees of the Board pursuant to ORS 65.354.

ARTICLE VI
OFFICERS

Section 1. Officers. The Officers shall be the President, the Treasurer, and the Secretary, each of whom shall be elected by the Board. After the Turnover Meeting has been held, the same person shall not concurrently hold more than one office. The Board may designate such additional Officers as it deems appropriate.

Section 2. Election and Term of Office. The Officers of the Corporation shall be elected annually by the Board and shall hold office at the pleasure of the Board and until their successors are elected and qualified. If any office becomes vacant, the Board shall elect a successor to fulfill the unexpired term at a special meeting of the Board called for such purpose.

Section 3. Removal. The Board may remove any Officer, at any time, with or without cause, and a successor may be elected at a special meeting of the Board called for such purpose.

Section 4. Compensation. Other than reimbursement of out-of-pocket expenses incurred on behalf of the Corporation, neither the President, the Treasurer, nor the Secretary shall
receive any compensation from the Corporation for acting as an Officer, unless such compensation is authorized by the Board.

Section 5. President. The President shall be a Director and shall be the chief executive officer of the Corporation. The President shall preside at all meetings of the Board, and, except to the extent otherwise provided in the Declaration, shall have all of the general powers and duties normally incident to the office of the chief executive officer of a corporation.

Section 6. Secretary. The Secretary shall not be required to be a Director or an Owner. The Secretary shall keep the minutes of all proceedings of the Board and all other Corporation records and shall attend to the giving of all notices to the Board and other notices pursuant to these Bylaws or the Declaration or required by law. The Secretary shall perform all other duties incident to the office of secretary of a corporation or as may be directed by the Board. The Secretary shall perform all of such duties at the expense of the Corporation.

Section 7. Treasurer. The Treasurer shall not be required to be a Director or an Owner. The Treasurer shall be responsible for Corporation funds and shall keep full and accurate financial records and books of account sufficient for proper accounting purposes showing all receipts and disbursements necessary for the preparation of all financial data and tax returns. The Treasurer shall be responsible for the deposit of all Corporation funds in such depositories as may from time to time be designated by the Board, and shall disburse Corporation funds for such purposes as may be permitted under these Bylaws or the Declaration. The Treasurer shall perform all other duties incident to the office of the Treasurer of a corporation or as may be directed by the Board. The Treasurer shall perform all such duties at the expense of the Corporation.

ARTICLE VII
SHARES OF STOCK AND DIVIDENDS PROHIBITED

The Corporation shall not have or issue shares of stock. No dividends shall be paid and no part of the income of the Corporation shall be distributed to its Directors or Officers, or to the Owners. The Corporation may pay compensation in a reasonable amount to its Officers for services rendered as provided by the Articles of Incorporation, the Declaration, other provisions of these Bylaws, or resolution of the Board of Directors.

ARTICLE VIII
LOANS TO DIRECTORS AND OFFICERS PROHIBITED

Section 1. No Loans to Directors or Officers. No loans shall be made by the Corporation to its Directors or Officers. The Directors of the Corporation who vote for or assent to the making of a loan to a Director or Officer of the Corporation, and any Officer or Officers participating in the making of such loan, shall be jointly and severally liable to the Corporation for the amount of such loan until the repayment thereof.
Section 2. Contribution; Subrogation. Any Director against whom a claim shall be asserted under or pursuant to this Article VIII shall be entitled to contribution from the other Directors who voted for the action upon which the claim is asserted. To the extent that any Director is required to pay such claim, he shall be subrogated to the rights of the Corporation against the debtor on the loan.

ARTICLE IX
CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The Board may authorize any Officer or Officers or agent or agents of the Corporation, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Among other things, such contracts may provide for the employment of personnel necessary for the maintenance, upkeep, and repair of the Common Area. Notwithstanding the foregoing, no management agreement, service contract or employment contract made by or on behalf of the Corporation prior to the Turnover Meeting shall be for a term in excess of three (3) years, and any such agreement shall terminate without penalty to Declarant, the Corporation or the Board upon not less than thirty (30) days' written notice to the other party thereto given by the Board not later than sixty (60) days after the Turnover Meeting.

Section 2. Checks, Drafts, Etc. All checks, payment vouchers, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation (including checks or vouchers for the payment of the expenses incurred in maintaining the Common Area), shall be signed by such Officer or Officers or agent or agents of the Corporation and in such manner as shall from time to time be determined by the Board.

Section 3. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select. All assessments, including Declarant's subsidies, shall be deposited in a separate account in the name of the Association. All expenses of the Association shall be paid from such account.

Section 4. Gifts. The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE X
FINANCIAL MATTERS AND RECORDS

Section 1. General. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and committees having any of the authority of the Board and shall keep at its registered or principal office a record giving the names and addresses of the Directors. All books and records of the Corporation may be inspected by any Director, or his agent or attorney, for any proper purpose at any reasonable time.
Section 2. Financial Statements. The Board may appoint a certified public accountant or certified public accounting firm as auditor, who shall not be an Officer or own any interest in any Lot, to audit or review the books and financial records of the Corporation. Within ninety (90) days after the end of each fiscal year, the Board shall distribute to each Owner and, upon request, any mortgagee of a Lot a copy of the annual financial statement of the Corporation, consisting of a balance sheet and income and expense statement for the preceding fiscal year. The Corporation shall make available to Owners and to holders, insurers or guarantors of any mortgage on a Lot, for their inspection and copying, upon request, during normal business hours or under other reasonable circumstances, current copies of: (i) the Declaration, Articles of Incorporation, Bylaws, and rules concerning the Property, (ii) the Corporation's most recent financial statement, (iii) the current operating budget of the Corporation, and (iv) all other records of the Corporation. Upon written request of a prospective purchaser of a Lot, the Corporation shall make available for examination and duplication during reasonable hours the documents and items described in items (i) through (iii) in the preceding sentence. The Corporation may charge a reasonable fee for furnishing copies of any documents, information, or records described in this Section 2. The fee may include reasonable personnel costs for furnishing such copies.

Section 3. Tax Returns. The Board shall cause to be filed the necessary income tax returns for the Corporation.

Section 4. Fiscal Year. The Corporation's fiscal year shall commence January 1 and shall end on December 31.

ARTICLE XI
TRANSFER OF CONTROL

Section 1. Transitional Advisory Committee. No later than sixty (60) days after the later of (a) the date the Declarant conveys 50% or more of the Lots to Owners other than a Successor Declarant or (b) the date the Declarant has conveyed 10 Lots to Owners other than a Successor Declarant, Declarant shall call a special meeting of the Owners to select a Transitional Advisory Committee. Declarant shall give notice in accordance with Article IV, Section 3 to each Owner of the special meeting. At such meeting, the Owners in attendance, other than Declarant, by vote of a majority of those present, shall select two (2) members of a Transitional Advisory Committee composed of three (3) members. The third member shall be selected by Declarant. The members of the Transitional Advisory Committee shall serve until the Turnover Meeting. The function of the Transitional Advisory Committee shall be to facilitate the transition from control of the administration of the Corporation by Declarant to control by the Owners. The Transitional Advisory Committee shall have reasonable access to all information and documents that Declarant are required to turn over to the Association under ORS 94.616(3). If the meeting required pursuant to this Section 1 is not called by Declarant within the time specified, the meeting may be called and notice given by any Owner. Notwithstanding the foregoing, if the Owners do not select members of the Transitional Advisory Committee as provided above, Declarant shall have no further obligation to form the Transitional Advisory Committee. There shall be no requirement that a Transitional Advisory Committee be formed.
and no Transitional Advisory Committee shall be appointed, once the Turnover Meeting has been held.

Section 2. Turnover Meeting. On a date that is not later than ninety (90) days after the Turnover Date, Declarant shall call the Turnover Meeting. Declarant shall give notice of such meeting as provided in Article IV, Section 3 to each Owner. The notice shall state the purpose of the meeting, which shall be the relinquishment by Declarant of control of the administration of the Corporation, and the time and place at which the meeting is to be held. If Declarant does not call the Turnover Meeting required by this Section 2 within the required period, the Transitional Advisory Committee described in Section 1 or any Owner may call such a meeting and give notice as required by this Section 2. At the Turnover Meeting: (i) Declarant shall relinquish control of the administration of the Corporation and the Owners shall assume the control thereof, (ii) the Directors of the Corporation then serving shall resign and the Owners (including Declarant) shall elect a board of Directors in accordance with these Bylaws, and (iii) Declarant shall deliver to the Corporation all of the items set forth in ORS 94.616(3). No quorum is required for the Turnover Meeting. After the Turnover Meeting, Declarant or his representative shall be available to meet with the Board on at least three mutually acceptable dates as provided under ORS 94.616(4).

ARTICLE XII
RULES AND REGULATIONS

The Board shall have power to adopt and publish rules and regulations governing the conduct of persons and the operation and use of the Lots and the Common Area as it may deem necessary or appropriate to assure the peaceful and orderly use and enjoyment of the Property, and to establish penalties for the infraction thereof. Such rules and regulations may be adopted upon a majority vote of the members of the Board present at a meeting at which there is a quorum of Board members and as to which notice has been given as provided in these Bylaws. Such notice shall include a verbatim copy of all proposed rules and regulations. No rule or regulation shall be adopted without a copy thereof first having been delivered or mailed to each Owner at the last address for such Owner in the records of the Association. Upon adopting any such rules and regulations, the Board shall cause copies thereof to be delivered to each Owner. All such rules and regulations become binding on all Owners and occupants of all Lots upon the date of delivery. Any Association rule or regulation, which conflicts with these Bylaws or the Declaration shall be null and void.

ARTICLE XIII
MAINTENANCE

The Corporation shall have the maintenance responsibilities set forth in Article 3 of the Declaration. Costs and expenses incurred by the Corporation in discharging its maintenance responsibilities shall be paid in the manner described in Article 10 of the Declaration and Article IX of these Bylaws.

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ARTICLE XIV
ASSESSMENTS

Section 1. Generally. All Lots other than those owned by the Declarant shall be subject to assessment in accordance with the provisions of the Declaration. Regular Assessments shall be made at intervals as may be determined prior to each fiscal year by the Board. Assessment shall be subject to amendment by the Board, the Association shall give written notice to each Owner as to the amount of the Regular Assessment with respect to each Lot on or before December 31 for each year for the calendar year commencing January 1 of the next year. The Regular Assessment shall be due and payable as the Board shall determine.

Section 2. Request for Assessments Due. The Association shall provide, within ten (10) business days of receipt of a written request from an owner, a written statement that provides (i) the amount of assessments due from the Owner and unpaid at the time the request was received, such as regular and special assessments, fines, accrued interest, late payment charges and other charges, (ii) the percentage rate at which interest accrues on unpaid assessments and (iii) the percentage rate or fixed charge for late payments. The Association need not provide the amount of assessments due as provided in (i) if the Association has commenced litigation by filing a complaint against the Owner and the litigation is pending when the statement would otherwise be due.

ARTICLE XV
AMENDMENTS TO BYLAWS

Except as expressly provided in the Declaration, these Bylaws may be amended or repealed and new bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least two (2) days' written notice is given of intention to amend or repeal and adopt new bylaws at such meeting accompanied by a copy or summary of the amendment; provided, however, that the Board shall have no authority to amend or repeal any provision of these Bylaws relating to the election, qualifications, powers, duties or terms of Directors without the approval of the Owners given at a special meeting called for such purpose; and provided, further, that all such amendments shall be consistent with the provisions of the Declaration. No special Declarant right as defined in ORS 94.550(20) or contained in these Bylaws or the Declaration may be amended without the consent of Declarant and Declarant may unilaterally make the amendments to the Bylaws permitted by this section and Section 11.6 of the Declaration and ORS 94.585. An amendment is not effective unless it is certified by the President and Secretary of the Association as having been adopted in accordance with these Bylaws and ORS 94.625, and recorded in the office of the Deed Records of Yamhill County, Oregon.

ARTICLE XVI
WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the nonprofit corporation laws of the State of Oregon, as it exists or may be amended in the future, or under the provisions of the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by
the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XVII
HEADINGS

The headings contained in these Bylaws are for convenience and shall not in any way affect the meaning or interpretation of these Bylaws.

ARTICLE XVIII
ACTION WITHOUT A MEETING

Any action which applicable law, the Declaration or these Bylaws require or permit the Owners or the Board to take at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Owners or Directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the Owners or the Board, as the case may be, shall be filed in the records of minutes of the Corporation.

ARTICLE XIX
LITIGATION

Before initiating any litigation or an administrative proceeding in which the Association and an Owner have an adversarial relationship, the party that intends to initiate litigation or an administrative proceeding shall offer to resolve the problem through an alternative dispute resolution program pursuant to ORS 94.630(4).

ARTICLE XX
CONFLICTS

These Bylaws are intended to comply with applicable law and the Declaration. In case of any irreconcilable conflict, applicable law and the Declaration shall control over these Bylaws, any amendments hereto and any rules or regulations adopted hereunder.

1, Jeanene Evans Pekar as Secretary of Oaks at Springbrook Homeowners Association do hereby certify the foregoing to be the Bylaws of the Corporation, as adopted by the Board effective as of the 20 day of May, 2003.

By: Jeanene E Pekar

Its: Development Coordinator - DR Horton
Statement of Association Information
for
OAKS AT SPRINGBROOK HOMEOWNERS ASSOCIATION
(pursuant to ORS 94.667)

Name of Association: The name is Oaks at Springbrook Homeowners Association

Treasurer Information: The authorized representative to receive assessments for the Association is:
Northwest Community Management Company
PO Box 23099
Tigard, Oregon 97281-3099
(Tel) 503-670-8111

Property Subject to
Assessment by the
Association: Oaks at Springbrook, Plat Records of Yamhill County, Oregon, Documents 200311564
and 200326443

Documents Recorded in the Deed Records of Yamhill County, Oregon:
Declaration of Covenants, Conditions and Restrictions for Oaks at Springbrook recorded as Instrument No. 200311572, as amended by document recorded as Instrument No. 200326445.
Declaration of Annexation to Oaks at Springbrook recorded as Instrument No. 200326444

I, Marshall Fant, being first duly sworn, say that I am the Agent for the Oaks at Springbrook Homeowners Association named in the foregoing 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.

[Signature]
Marshall Fant, Agent

SUBSCRIBED AND SWORN to before me this 17th day of July, 2004,

By Marshall Fant
NOTARY PUBLIC FOR OREGON

[Seal]
Tina L. Brown
NOTARY PUBLIC FOR OREGON
COMMISSION NO. 33/771
MY COMMISSION EXPIRES AUG 24, 2004