CONDITIONS COVENANTS AND RESTRICTIONS

This DECLARATION OF CONDITIONS, COVENANTS, AND RESTRICTIONS FOR ORCHARD LAIR NO. 1, a subdivision in the City of Newberg, Yamhill County, Oregon (herein known as the "Declaration") is hereby made and executed this 13th day of July, 2007, by the Undersigned (who constitutes and is the sole owner of real property more particularly described on attached Exhibit "A");

RECITALS:

WHEREAS, the undersigned Owner desires to create specific conditions, covenants and restrictions contained herein for the benefit of all of the parcels set forth on a portion of the real property set forth on attached Exhibit "A" and any modifications thereto and their present and subsequent Owners. The undersigned owner does hereby state that subsequent to the date of execution hereof, a subdivision plat known as ORCHARD LAIR NO. 1 consisting of fourteen (14) residential lots will be recorded associated with the said real property with a copy of the subdivision plat attached hereto as Exhibit "B". In addition, following the recording of the ORCHARD LAIR subdivision plat, a plat containing fourteen (14) condominium hangars shall be recorded that shall be commonly owned by the homeowners in the ORCHARD LAIR Homeowners Association, with the entire subdivision plat herein known as "affected property").

SECTION 1 - DEFINITIONS.

The following words and terms, when used in this Declaration, and supplemental Declarations or any changes, amendments, or modifications hereto, shall have the following meanings:

1.1 "Lot or Parcel" shall mean and refer to any of the existing parcels or any modifications thereto which are contained within the affected property.

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1.2 "Owner" shall mean and refer to the Owner of record, whether one or more persons or entities, of an interest in and to any of the parcels within the affected property.

1.3 "Street" shall mean and refer to any street, alley, public way, highway, cul-de-sac, or other thoroughfare providing a means of access and shown on any map associated with the affected property.

1.4 "House" shall mean and refer to a private dwelling intended for use and occupancy by not more than one family, having complete living facilities and constituting one dwelling unit. This term shall also include and refer to an attached garage.

1.5 "Mortgagee" shall mean the holder of a mortgage on any portion of the said affected property and shall have the meaning set forth in ORS 86.010, et. seq. and shall include beneficiaries of deeds of trust.

1.6 "Hangar" shall mean and refer to a private building on an individual condominium that has the size and capability to accommodate at least one aircraft.

1.7 "Common Areas" shall mean any streets, taxi ways, landscaped areas, entry monuments, entry fences, pedestrian bridges, trails, easement areas, etc. that is maintained and/or owned by the Home Owners Association.

SECTION 2 - COMMON SCHEME RESTRICTIONS.

The following restrictions are hereby imposed as a common scheme upon each parcel within the affected property for the benefit of every other parcel within the affected property and may be enforced by any Owner.

2.1 No large animals, livestock, or poultry of any kind shall be raised, kept or permitted upon any Lot or in any part of the affected property. Any permitted domestic type animals (such as dogs, cats, etc.) which are kept in the affected property must not create any type of nuisance or noxious activity (including noise).

2.1.1 No animals shall be allowed to become a nuisance to any resident within the affected area.

2.1.2 All animals permitted under this subsection shall not be kept, bred, or raised for commercial purposes or be maintained in unreasonable numbers.

2.2 No Lot in any area in or part of the affected property shall be used for the purpose of exploring for, taking there from, or the production of gas, oil or any other hydrocarbon or mineral substance.
2.3 No noxious or offensive activity shall be permitted upon any Lot or in any area or part of the affected property, nor shall anything be done or maintained thereon that may be or become an annoyance or nuisance to any Owner or detract from the value of the affected property as a high-class residential neighborhood.

2.4 No personal property such as a trailer, recreational vehicle, boat, camper unit, farm equipment, or tent shall be placed, stored or parked on any Lot, or in any part of the affected property unless it is stored so that it must be sufficiently screened from public view; provided, however, that such parking is in conformity with any applicable municipal ordinances and regulations.

2.5 Each Lot shall provide adequate room for the parking of private vehicles, and said private vehicles shall not be allowed to be parked in any portion of the said property so that they become a sight nuisance from any portion of the street which acts as an access to the entire affected property. No owner shall permit any vehicle which is inoperable to remain parked upon any Lot or open space or upon any street for a period in excess of forty eight (48) hours.

2.6 No television antennas or radio aerials shall be permitted upon any Lot, House, or any part of or area of the affected property. Small size satellite receivers and dishes shall be permitted on a Lot, House, or any part of or area in the affected property only if such are screened from view of any street and are not placed on the roof of any structure. All utilities shall be installed underground, as no overhead wires or service drops for the distribution of electricity or any other telecommunication purposes, nor any poles, towers, or other supporting structures shall be erected, placed, or maintained on any Lots. Clotheslines shall be screened so as to not be viewed from any Street.

2.7 No Lot, or area in or part of the affected property shall be used or maintained as a dumping site or depository for rubbish, refuse, trash, garbage, or any other form or type of waste. Any such waste is be stored in a location which is not visible from any Street within the affected property in a suitable and sanitary container until such waste is picked up or removed. Any containers or other equipment for the storage or disposal of such waste shall be maintained and operated in a safe and sanitary manner and shall not cause or be a form of nuisance to any resident in the affected property. Trimmings, cuttings and like debris may be composted on any Lot provided they are maintained in a singular enclosed location not visible from any Street and so as not to become an annoyance or nuisance to any other resident in the affected property.

2.8 No sign or other advertising device shall be erected or constructed upon or placed within or on any Lot or house in any area or part of the affected property except for garage sale signs, political signs, and one (1) sign not larger than eighteen (18) inches by twenty-four (24) inches advertising such House or Hangar for sale, rent or for a City of Newberg permitted home based business. The Declarant or its designee may maintain and place “for sale” signs for purposes of marketing the said subdivision that are excluded from these said restrictions.
2.9 No Owner, invitee, or licensee shall allow any activity to occur which will cause a level of noise to be offensive or disruptive to any one else within the affected property.

2.10 No structure of a temporary character or nature such as trailer, tent, shack, garage, barn, or other outbuilding shall be used on any Lot, at any time, as a residence either temporarily or permanently. Declarant or its designee reserves the right to locate a temporary construction office within the subdivision while the subdivision and homes are being constructed.

2.11 During the period of time through and including one (1) year from the date of recording of the subdivision plat, the construction of all fences, retaining walls, and other structures (including swimming pools, greenhouses, storage sheds, etc.) must be approved by the Declarant or its designee. A detail plan of the proposed construction including the shape, colors, height, type of materials, proposed location on the Lot, and location and number of trees that are proposed to be removed must be provided to the Declarant or its designee for review and approval prior to commencing any construction, and at least ten (10) days prior to application for any building permit. Approval or the proposed construction is at the discretion of the Declarant or its designee, as the Declarant or its designee shall consider quality of the specified material, harmony with existing and planned structures and location with respect to topography and finished grade elevation of the Lot and of the other Lots in the subdivision.

2.11.1 No fence, either sight or non-sight obscuring, in excess of three (3) feet in height may be located between the building line and the front yard sidewalk, and in the case of a corner lot, the building line and the sidewalk abutting the side yard. The maximum height of any fence located on the remainder of the Lot shall be six (6) feet and must be constructed of cedar and be a “good neighbor” construction type with similar material and style to other fences existing within the subdivision at the time that construction is commenced by the said applicant.

2.12 No trade, craft, business, profession, commercial, or similar type activity of any kind or nature shall be conducted on any Lot, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, craft, business, profession, commercial, or similar type activity be kept or stored on any Lot, (unless allowed and permitted by the City of Newberg) excepting the right of any homebuilder, contractor, and the Declarant or Declarant's affiliates or Declarant's designee, to construct the infrastructure of the subdivision and residences on the said Lots, and to store construction equipment and materials on said Lots in the normal course of construction of said infrastructure, residences, and/or models homes for the purposes of sales in said phases. Furthermore, during the course of construction of a dwelling, the Owner and/or his contractor shall be authorized to store construction materials and equipment on the said Lot in the normal course of construction, subject to the provisions of Section 3.1.3.

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2.13 The private streets within Orchard Lair No. 1 shall be subject to the jurisdiction of the City of Newberg Police Department, and vehicles that are operated or parked in violation of the City of Newberg code and regulations shall be subject to enforcement by the City of Newberg Police Department.

SECTION 3 - BUILDING STANDARDS

3.1 No lot shall be used except for residential purposes as a single-family dwelling. No building shall be constructed on any Lot other than one single family dwelling not to exceed 2 1/2 stories (garage/daylight basement is considered 1/2 story) in height and an attached private garage of sufficient size to store a minimum of two (2) vehicles. All houses shall be constructed to a minimum of 1,800 sq. ft. excluding the garage area and open porches. All houses shall be constructed at a minimum with horizontal lap siding (i.e., no T-111 is allowed), and all roofing material shall be at a minimum 25-year architectural composition or better; i.e., no 3-tab roofing is allowed, with the said roofing colors to be the same colors as all other houses in the affected property.

3.1.1 The foregoing provisions shall not exclude the construction of a private greenhouse, storage shed, private swimming pool, or a shelter for the protection of such swimming pool or for the storage of a boat, and/or camping trailer or motor home which are utilized for personal use; provided, however, that the location of such structure is required to be in conformity with the applicable municipal regulations, and furthermore are compatible in design, construction, and decoration with the residence that is constructed on the said Lot, and placed on the said Lot.

3.1.2 The Declarant or its designee reserves the right to permit exceptions to the dwelling size requirement in selected locations. The Declarant or its designee may permit exceptions where architectural design enhancements provide an overall appearance and value in conformance with the remainder of the property. Such exceptions shall be made at the sole discretion of the Declarant or its designee. Under no instance shall a total number of exceptions be granted that exceed a total of one half of the total number of Lots.

3.1.3 Completion of construction of any dwelling including exterior decoration shall occur within six (6) months from the date of commencement of the said construction. During this construction period of time, the following shall occur:

3.1.3.1 All Lots shall be kept in a neat and orderly condition free of brush, vines, weeds, and other debris.

3.1.3.2 All grass on the Lot shall be cut or mowed at sufficient intervals to prevent creation of a nuisance or fire hazard.
3.1.3.3 All contractors and builders shall keep their job site orderly and in clean condition and shall periodically, during the course of construction, remove all construction waste materials. In the event of hardship due to inclement weather conditions, this provision may be extended by the Declarant or its designee for a reasonable period of time.

3.2 Landscaping. Prior to the occupancy of the house on a specific Lot, the front yard of the Lot upon which said house has been erected or constructed shall be fully and completely landscaped as to the planting of cultivated grass lawns. Within six (6) months from the date of occupancy, landscaping associated with the back and side yards of the said Lot must be completed. Owners are strongly encouraged to use sod for the plantings of lawns. At all times after substantial completion of the construction of a House on a Lot in the affected area and before the installation of landscaping, all yards shall be maintained so as not to be offensive in appearance nor cause or present any sort or form of hazardous or dangerous condition.

3.2.1 Watering, trimming, and all maintenance associated with the street trees required by the City of Newberg which are planted along certain streets of the subdivision are the responsibility of the owner of the Lot which is contiguous to the said trees.

3.3 Setbacks from Property Lines. Minimum setbacks on all Lots in the affected property shall be governed by the applicable City of Newberg development and airport overlay ordinances; provided, however, that the following lots are governed by special set back requirements which were a specific term and condition of approval by the City of Newberg associated with approval of the subdivision:

* Zero distance setbacks allowed in the A10 Sub-District for private hangars.

3.4 Rain gutters and downspouts. The roof rain gutters and downspouts for any dwellings or residences located on Lots 1 through 9 shall drain directly to a public street.

3.5 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 raking, dirt and other material resulting from landscaping work shall not be dumped onto streets, the Common Areas or any other Lots. Each owner is responsible for trash disposal, and shall only place individual trash containers in the public street (not alleyways) within 12 hours of the scheduled trash collection time and such owners shall remove the individual trash containers from the public street and from public view within 12 hours after collection.

SECTION 4 - EASEMENTS.

4.1 Ingress/egress, utility, drainage, and sidewalk easements are set forth on the plat of ORCHARDS LAIR NO. 1.
4.1.1 A conservation easement for the benefit of all Lots within the subdivision is set forth on the attached plat of the subdivision with the easement located on Lots 1 through 9 and with the easement more particularly described on the attached subdivision plat.

4.2 The Owners acknowledge that there are certain easements and agreements regarding those easements between Sportsman Air and the other property owners adjacent to Orchard Lair No. 1, and the Owners acknowledge that they will not interfere with these easements and agreement.

4.3 The conservation easement on Lots 1 through 9 only allows the Homeowners Association maintenance access only.

4.4 The Homeowner’s Association reserves an easement and shall pay for maintenance, upkeep and replacement pertaining to that certain portion of the pedestrian boardwalk that is contained within the tracts designated as Tract B and Tract C on the Subdivision Plat.

SECTION 5 - MAINTENANCE OF LOTS

5.1 Each Owner of any Lot in the affected property shall maintain the condition of said Lot and any improvements thereon including, without limitation, any House, Hangar, building, fencing, structure, landscaping, sidewalks, driveways, trees, shrubs, or other vegetation thereon in a reasonably clean, neat, attractive and visually pleasing manner so as to not detract from the affected property being a high-class residential neighborhood. Lots 1 and 14 shall maintain the condition of the public sidewalk and planter strip landscaping along their respective lot frontage on East 3rd Street.

SECTION 6 - COMMON AREA

6.1 Use of Common Areas is subject to the provisions of the Declaration, Bylaws, Articles and rules and regulations promulgated by the Board of Directors. There shall be no use of the Common Area except by Owners and their invitees. There shall be no permanent obstruction of any part of the Common Area. Any alterations including its use of the Common Areas will require written approval from the Declarant and/or Board of Directors. All conservation tracts and easements shall be maintained annually to keep the stream corridor plants and trees healthy, safe and relatively free of invasive species of plants.

6.2 Except as otherwise provided in this declaration, the Association shall pay for and maintain any improvements within the boundaries of the Common Areas unless they are public utilities. The Association shall keep the Common Areas in good condition and repair. All landscaping and improvements within these areas shall be maintained and cared for in manner consistent with the standard of design and quality as originally established by the Declarant or ARC. All lawn areas, trees and shrubs shall be fertilized and neatly mowed and neatly trimmed.
6.3 Expenditures for alterations, maintenance or repairs to Common Area improvements for which a reserve has been collected shall be made from the reserve account.

6.4 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 the Homeowner’s Association Bylaws, Article 10.6, (not found here) 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 proposed improvement.

6.5 If 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.

6.6 In the event any Common Area is damaged or destroyed by an Owner or any of his Occupants, guests, tenants, licensees, agents or members of his family in a manner that would subject such Owner 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.

SECTION 7 - ARCHITECTURAL REVIEW COMMITTEE.

7.1 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 for the review. In all cases which the ARC consent is required by this Declaration, the Provision of this Article shall apply.
7.2 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 an there should be no requirement for non-Board members of the ARC. The Board may appoint one of 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 the cost paid by applicants or the Association.

7.3 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 members of the ARC. The ARC may render its decision only by written instrument setting forth the action taken by the members consenting thereto.

7.4 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.

7.5 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 that ARC fails to render its decision of approval or denial in writing within sixty (60) day or 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.

7.6 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 the Property. Consideration such as sitting or location on the Lot, shape, size, color, design, height, solar access, or other effect on the enjoyment of other Lots of 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.

7.7 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.

7.8 At any time after Declarant has delegated appointment of the members of the ARC to the Board of Directors pursuant to Article 7.2, 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 mitigation 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.

7.9 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.

7.10 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.

7.11 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 remedy such noncompliance in accordance with the provisions of the notice of noncompliance, then at the expiration of the third (3rd) day from the date of such notification, the ARC shall provide a notice of a hearing to consider the Owner’s continuing noncompliance. The hearing shall be set no more than thirty (30) days from the date of the notice of noncompliance. At the hearing, if the ARC finds that there is non-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 Owner and his Lot, including all attorney’s 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.
7.12 Neither the ARC, the Board, their agents, nor any member thereof shall liable to any Owner, Occupant, or builder for any damage, lost 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.

7.13 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 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/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.

SECTION 8 - AMENDMENTS OR MODIFICATIONS.

8.1 This Declaration may be amended or modified by an instrument signed by not less than eighty-five percent (85%) of the then Owners of Lots in the affected property.

8.2 Any and all amendments or modifications to this Declaration must be in writing and shall be recorded as an amendment or modification to this Declaration in the official and public records of Yamhill County, Oregon.

SECTION 9 - DURATION OF THESE CCR'S.

9.1 The covenants, conditions and restrictions of this Declaration and any and all amendments and modifications hereto shall run with and bind the land and inure to the benefit of any and all Owners of Lots in the affected property, their legal representatives, heirs, successors and assigns for a term of thirty (30) years from the date this original Declaration is recorded in the official and public records of Yamhill County, Oregon. After such date, the original Declaration and any and all amendments and modifications hereto shall be automatically extended and renewed for successive periods of ten (10) years unless and until an instrument terminating the Declaration and any amendments thereto signed by the then Owners of eighty-five percent (85%) of the Lots has been executed and recorded in the official records of Yamhill County, Oregon prior to the commencement of any ten (10) year period.

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SECTION 10 - MISCELLANEOUS OTHER PROVISIONS.

10.1 In constructing this Declaration, or any part hereof, stipulations that are necessary to make this Declaration or any of its terms or provisions reasonable are hereby implied. Invalidity of any of the provisions of this Declaration shall in no way affect the validity of any of the other provisions hereof which shall remain in full force and effect.

10.2 Any provision of this Declaration and any amendments thereto shall bind and inure to the benefit of and be enforceable by the Owner or Owners of any Lot or Lots, their legal representatives, successors heirs and assigns under any type of legal or equitable relief. Failure by the Owner or Owners of any Lot or Lots, their legal representatives, successors, heirs or assigns to enforce any condition, charge or restriction of this Declaration shall in no event be deemed a waiver of the right to do so. In case any suit or action is required to be filed to enforce any term or provision hereof, the non-prevailing party is required to pay the prevailing party's costs and attorney fees incurred in enforcement, both at trial and on appeal.

10.3 By the recording of this Declaration, each Owner shall be deemed to have consented and agreed to every term, condition, covenant and restriction contained herein.

10.4 Mortgage Protection.

10.4.1 Except upon the approval of Mortgagees holding Mortgages of Lots which have at least eighty-five percent (85%) of the votes of Lots which are subject to Mortgages, no amendments may be made to this Declaration which add to or amend any material provision of the Declaration which establish, provide for, govern or regulate any of the following:

10.4.2 Termination of this Declaration or any amendment thereto shall require the consent of not less than eighty-five percent (85%) of the Mortgagees holding an interest in Lots. Any such Termination of this Declaration shall be carried out by the Owners pursuant to the provisions of the Declaration, and only after a vote of the Owners as required by this Declaration.

10.4.3 The provisions of paragraph 8.4.1 are intended only to be a limitation on the right of the Owners to amend the Declaration, and any such amendments to the Declaration shall be made only upon full compliance with the provisions of such relating to the procedure and percentage of votes required for such amendment.

10.4.4 Any Mortgagee who receives a written request to approve an amendment to the Declaration or any other action to be taken, shall be deemed to have given such approval unless such Mortgagees written objection to such action is delivered to the Owners within thirty (30) days after the date of the written request.
10.5 Default by an Owner of any Obligation of the said Owner.

10.5.1 Failure by an Owner to cure any breach of the terms and conditions of these CCR's shall be a default by such Owner of his or her obligations pursuant to these CCR's. In case any Owner (including the Declarant) thereof is required to retain the services of an attorney to enforce any term or condition of these said CCR's, the non-prevailing party is liable for the payment of attorney fees and costs incurred by the prevailing party, both at trial and on appeal.

10.6 Any notice under this Declaration and any amendment thereto shall be in writing and shall be effective when actually delivered or when deposited in the mail, registered or certified, addressed to the specific Owner at the mailing address of the Owner.

10.7 As used hereunder, the singular shall include the plural and the plural the singular, and the masculine and neuter shall each include the masculine, feminine, and neuter as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Declaration and any amendments thereto.

10.8 If any term or provision hereof is determined to be invalid, that invalidity has no effect upon the remaining terms and provisions hereof.

10.9 Any decisions required by the Declarant or its designee must be in writing setting forth the action taken in order to be enforceable.

10.10 Failure by the Declarant and/or its designee to require performance by any other party any of the provisions hereof shall in no way affect the Declarant's and/or its designee's rights hereunder to enforce the same, nor shall any waiver of the Declarant and/or its designee of any breach hereof be held to be a waiver of any succeeding breach, or a waiver of this non-waiver clause.

10.11 So long as the Declarant and/or its designees and/or its assigns have acted in good faith based upon actual knowledge possessed by the Declarant and/or designees and/or its assigns, neither the Declarant (including any officer and/or member) and/or its designees or assigns, to the fullest extent possible, shall be liable to any owner, occupant, contractor, builder, or any others for any damages, losses, or prejudice incurred, suffered, or claimed on account of any action or failure to act by the Declarant and/or its designees and/or its assigns.

10.12 Lots 1 through 14 are responsible for the maintenance of the public sidewalk and landscaping north of their property line of those said Lots along 3rd Street.

10.13 There is no direct motor vehicle access from any lot in the said subdivision to 3rd Street.
10.14 The Owners hold the City of Newberg, public and the Sportsman’s Airpark harmless from any damages caused by noise, fumes, dust, fuel, fuel particles or other effects that may be caused by the operation of aircraft taking off, landing or operating on or near the airfield, not including the physical impact of aircraft or parts thereof.

10.15 No Owner shall sell, nor offer for sale, any property within the AIO Sub-District unless the prospective buyer has been notified of the fact that the property is within the AIO Sub-District. When Property ownership is transferred, the property deed shall be amended to not that the property is within the Airport Industrial Overlay Sub-district.

10.16 No Owner shall sell, nor offer for sale, any property within the AIO Sub-District unless the prospective buyer agrees to follow Aircraft Owners and Pilots Association (AOPA) standard noise abatement procedures, or the most recent noise abatement procedures established at the airport.

SECTION 11 - FUNDS AND ASSESSMENT

Purpose of Assessment: The assessment levied by the Association shall be used exclusively to promote the recreation, health, safety and, welfare of Owners and Occupants, and for improvement, operation and maintenance of the Common Areas, including maintenance and administrative costs, a community high-speed internet access if a “server/vendor” should be granted a contract for the entire property, and insurance for the Association.

SECTION 12 - HANGAR CONDOMINIUMS

12.1 Lot ownership within the Orchard Lair No. 1 shall entitle each Lot Owner to ownership of one hangar condominium. There shall be allocated to each Lot Owner one hangar condominium for each Lot. Ownership of multiple Lots within Orchard Lair No. 1 shall entitle such an owner to an equal number of hangar condominiums.

12.2 The Homeowners within the Orchard Lair No. 1 Homeowners Association shall also be governed as to their respective hangar condominiums which shall be recorded at a date later than the ORCHARD LAIR subdivision plat under the Condominium Declaration and Bylaws as approved by the State of Oregon Real Estate Agency.

(Signature block and Notarial Acknowledgment contained on Page 15)

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PAGE 14- ORCHARD LAIR NO. 1 CONDITIONS COVENANTS AND RESTRICTIONS
This said Declaration has been executed by at least 85% of the Owners as required in the original DECLARATION.

THIRD STREET DEVELOPMENT, LLC, AN OREGON LIMITED LIABILITY COMPANY

By:  Marc Willcuts  
Its:  Member

State of Oregon  )
               ) ss
County of Yamhill  )

Personally appeared the above-named Marc Willcuts before me who stated that he was a member of Third Street Development LLC, and who further stated that he was authorizing this said document with the authority of the Members and acknowledged execution of the foregoing document to be his voluntary act and deed.

Subscribed and sworn to before me this 13th day of July, 2007.

[Signature]
Notary Public for Oregon
My commission expires: 11-16-2010
FIRST AMENDMENT TO
CONDITIONS COVENANTS AND RESTRICTIONS
FOR ORCHARD LAIR NO. 1

This First Amendment to Conditions Covenants and Restrictions for Orchard Lair No. 1, a subdivision in the City of Newberg, Yamhill County, Oregon (the “First Amendment”) is made this 26th day of March, 2008, by Third Street Development, LLC, an Oregon limited liability company (“Declarant”).

RECITALS:

A. Declarant owns or has owned that certain real property located in Yamhill County, Oregon more particularly set forth on the attached Exhibit “A” (the “Real Property”).

B. On September 27, 2007, Declarant recorded those certain Conditions Covenants and Restrictions against the Real Property as Instrument No. 200721373, Yamhill County Records (the “Initial CC&Rs”).

C. Declarant has not, as of the date of this First Amendment, sold any of the home sites or parcels located within the Orchard Lair No. 1 subdivision.

D. Declarant desires to amend the Initial CC&Rs as provided in this First Amendment for the benefit of all of the home sites and parcels that will comprise the subdivision plat known as Orchard Lair No. 1, consisting of fourteen (14) lots designated for residential development.

NOW, THEREFORE, in consideration of the foregoing and pursuant to Section 8 of the Initial CC&Rs, the Initial CC&Rs are amended as follows:

1. Defined Terms. Except as otherwise provided herein, capitalized words and terms used herein without definition shall have the respective meaning as set forth in the Initial CC&Rs. Section 1 of the Initial CC&Rs is amended to add the following definitional terms:

“1.8 “Association” is defined as the Orchard Lair Hangar Condominiums Owners Association, which is an Oregon nonprofit corporation.”
“1.9 “Board of Directors” or “Directors” means the directors selected pursuant to the Orchard Lair Hangar Condominiums Declaration of Condominium Ownership and the Bylaws to govern the affairs of the Association.”

“1.10. “Bylaws” means the Bylaws of the Association, as they may be amended from time to time.”

“1.11. “Unit” means the condominium space for the storage of aircraft or other lawful use which each Unit Owner owns or has a leasehold interest and which is more specifically described in Section 4 of the Declaration.”

“1.12. “Unit Owner” or “Owner” means any person or entity or combination thereof at any time owning or leasing a Unit, or any interest therein or any portion thereof.”

2. Common Scheme Restrictions. Section 2 of the Initial CC&Rs is amended to add the following language:

“2.14 All Owners acknowledge, agree and understand that ownership of a Lot and membership in the Orchard Lair No. 1 Homeowners’s Association means that the Owners will also automatically be members of the Orchard Lair Hangar Condominiums Owners Association, and that the Owners will be subject to and required to abide by the terms, conditions and restrictions contained in the Orchard Lair Hangar Condominiums Declaration of Condominium Ownership, the Orchard Lair Hangar Condominiums Bylaws and any other of the Orchard Lair Hangar Condominiums governance documents.”

3. Building Standards. Section 3.1 of the Initial CC&Rs is deleted and is replaced in its entirety with the following:

“3.1 No Lot shall be used for any purpose except for lawful residential purposes as a single-family dwelling. Neither mobile homes nor manufactured homes shall be allowed or permitted at any time on any portion of a Lot or the affected property. No buildings or structures shall be constructed on any Lot other than one (1) single-family dwelling, which single-family dwelling shall not exceed two and one-half (2½) stories (a garage/daylight basement is considered one-half (½) of a story) in height and an attached private garage of sufficient size to store a minimum of two (2) vehicles. All Houses shall be constructed to a minimum size of 1,300 square feet, excluding the garage area and any open, exterior porches. All Houses shall be constructed at a minimum with horizontal lap siding (i.e., no T-111 is allowed), with all roofing material that is a minimum 25-year architectural composition or better (i.e., no 3-tab roofing shall be allowed). The colors for said roofing material shall be the same colors as the roofing material for all other Houses in the affected property.
3. **Landscaping.** Section 3.2 of the Initial CC&Rs is deleted and is replaced in its entirety with the following:

"3.2 Landscaping. Landscaping and maintenance of the front yards of each Lot shall be responsibility and obligation of the Owner of such Lot. This responsibility shall include scheduled landscaping and maintenance of any grass that constitutes the front yard, as well as any shrubs or trees that are installed in the front yard of each Lot.

3.2.1 Any and all landscaping associated with the front, back and side yards of each Lot must be completed and installed within six (6) months after the date of initial occupancy of the Lot by an Owner. Owners are strongly encouraged to use sod for the planting of any lawns that will constitute the back and/or side yards of any Lot. At all times after substantial completion of the construction of a House on a Lot in the affected area and before installation of landscaping, all back and side yards must be maintained so not to be offensive in appearance nor cause or present any sort or form of hazardous, dangerous or unsightly condition.

3.2.2 Watering, trimming and all maintenance associated with the street trees required by the City of Newberg which are planted along certain streets of the Orchard Lair No. 1 subdivision are the responsibility of the Home Owners Association.

4. **Hangar Condominiums.** Section 12 of the Initial CC&Rs is deleted and is replaced in its entirety with the following:

"12.1 Lot ownership within the Orchard Lair No. 1 subdivision shall entitle each Lot Owner to membership in the Orchard Lair Hangar Condominiums Ownership Association and the right to purchase one (1) Hangar Unit for price to be determined in addition to the purchase price for the Lot within Orchard Lair No. 1, except as provided in Section 12.4 below. There shall be allocated to each Lot Owner one (1) Hangar Unit for each Lot within Orchard Lair No. 1 subdivision. Ownership of multiple Lots within the Orchard Lair No. 1 subdivision shall entitle such Owner the right to lease an equal number of Hangar Units.

12.2 Fee ownership of the real property upon which the Orchard Lair Hangar Condominiums shall be with the Orchard Lair No. 1 Lot Owner to which the Hangar Unit is associated with.

12.3 The Homeowners within the Orchard Lair No. 1 Homeowners' Association shall also be governed as to their respective Hangar Units by the Orchard Lair Hangar Condominiums Declaration of Condominium Ownership, the Orchard Lair Hangar Condominiums Bylaws and the Orchard Lair Hangar Condominiums Owners Association which shall be approved by the State of Oregon Real Estate Agency. The Orchard Lair Hangar Condominiums
Declaration of Condominium Ownership and the Orchard Lair Hangar Condominiums Bylaws shall be recorded with the Yamhill County Recorded at a date after the date that the Orchard Lair No. 1 subdivision plat and these CC&Rs, as amended, were recorded.

12.4 Right of First Refusal. If the Lot Owner of the Lot to which the Hangar Unit is associated does not wish to use or occupy the Hangar Unit, the purchase price for the Lot shall be reduced accordingly, and Third Street Development LLC shall have the first right and option to lease the Hangar Unit from the Lot Owner for renewable 99-year lease, with the said lease price being one dollar ($1.00) per 99-year term.

12.5 Effect of Lease to Third Street Development. Upon the execution of an Orchard Lair Hangar Commercial Lease Agreement with Third Street Development, any Lot Owner under such Orchard Lair Hangar Commercial Lease Agreement shall cede all control, interest and rights in the Hangar Unit to Third Street Development for the term of the Orchard Lair Hangar Commercial Lease Agreement, including, but not limited to, the right to be a member of and vote with the Orchard Lair Hangar Condominiums Owners Association. However, upon execution of such Orchard Lair Hangar Commercial Lease Agreement and for the term of such Orchard Lair Hangar Commercial Lease Agreement, such Lot Owner shall not be responsible for any fees associated with membership of the Orchard Lair Hangar Condominium Owners Association or ownership of the Hangar Unit, including, but not limited to payment of any real property taxes associated with ownership of the Hangar Unit.

This said First Amendment has been executed by the Declarant, who at the time of execution, constituted at least eighty-five percent (85%) of the Owners.

(Remainder of page left intentionally blank)
THIRD STREET DEVELOPMENT, LLC AN OREGON LIMITED LIABILITY COMPANY

By: Newberg Development Group LLC
Its: Member
   By: Michael Willcuts
   Its: Member

State of Oregon )
    ) ss
County of Yamhill )

Personally appeared before me the above-named Michael Willcuts who stated that he was a member of Newberg Development Group LLC, which is a member of Third Street Development, LLC, an Oregon limited liability company, and who further stated he was authorizing this said document with the authority of the other Members of Newberg Development Group LLC and Third Street Development LLC and acknowledged execution of the foregoing document to be his voluntary act and deed.

Subscribed and sworn to before me this 26th day of March, 2008.

[Seal]

Notary Public for Oregon
My commission expires: July 24, 2011

PAGE 5 OF 5 – FIRST AMENDMENT TO CONDITIONS COVENANTS AND RESTRICTIONS FOR ORCHARD LAIR NO. 1.
SECOND AMENDMENT TO
CONDITIONS COVENANTS AND RESTRICTIONS
FOR ORCHARD LAIR NO. 1

This Second Amendment to Conditions Covenants and Restrictions for Orchard Lair No. 1, a subdivision in the city of Newberg, Yamhill County, Oregon (this "Second Amendment") is made this 26 day of February, 2009, by Third Street Development, LLC, an Oregon limited liability company ("Declarant").

RECITALS:

A. Declarant owns or has owned that certain real property located in Yamhill County, Oregon more particularly set forth on the attached Exhibit "A" (the "Real Property").

B. On September 27, 2007, Declarant recorded those certain Conditions Covenants and Restrictions against the Real Property as Instrument No. 200721373, Yamhill County Records (the "Initial CC&Rs").

C. On March 26, 2008, Declarant recorded a First Amendment to Conditions Covenants and Restrictions against the Real Property as Instrument No. 200805254, Yamhill County Records (the "First Amendment").

D. Declarant has not, as of the date of this Second Amendment, sold any of the home sites or parcels located within the Orchard Lair No. 1 subdivision.

E. Declarant desires to amend the Initial CC&Rs and First Amendment (together, the "CC&Rs") as provided in this Second Amendment for the benefit of all of Lots which will comprise the subdivision plat known as Orchard Lair No. 1, consisting of fourteen (14) lots designated for residential development and the corresponding fourteen (14) Hangar Units associated with the Orchard Lair Hangar Condominiums (the "Hangar Condominiums") formed as evidenced by that certain Orchard Lair Hangar Condominiums Declaration of Condominium Ownership recorded as Instrument No. 200815127, Yamhill County Records (as amended from time to time, the "Orchard Lair Hangar Condominiums Declaration of Condominium Ownership"), for purposes of providing certain permanent rights between the Lots of the Orchard Lair No. 1 subdivision and the Hangar Units of the Orchard Lair Hangar Condominiums, as required pursuant to Section 151.449.2 of the City of Newberg Development Code.
F. The Planning and Building Director of the City of Newberg has approved the right of first refusal provisions of the amendments to Section 12 of the Declaration set forth below as satisfying the requirements of Section 151.449.2 of the City of Newberg Development Code that there be permanent rights between the Lots of the Orchard Lair No. 1 subdivision and the Hangar Units of the Orchard Lair Hangar Condominiums, which approval is set forth in the letter attached hereto as Exhibit "B".

NOW, THEREFORE, in consideration of the foregoing and pursuant to Section 8 of the Initial CC&Rs, the Initial CC&Rs and the First Amendment are amended as follows:

1. Defined Terms. Capitalized words and terms used herein without definition shall have the respective meaning as set forth in the CC&Rs.

2. Miscellaneous Provisions. Section 10.15 of the Initial CC&Rs is deleted and replaced in its entirety with the following:

10.15 No Owner shall sell, nor offer for sale, any property within the Airport Industrial Overlay Sub-District (the "AIO Sub-District") unless the prospective buyer has been notified of the fact that the property is within the AIO Sub-District. When Property ownership is transferred, the property deed shall state that the property is within the "Airport Industrial Overlay Sub-District".

3. Hangar Condominiums. Sections 12.1 through 12.5 of the Initial CC&Rs as amended by Section 4 of the First Amendment are deleted and replaced in their entirety with the following:

"12.1 Subject to the provisions of Section 12.4 below, each initial purchaser of a Lot shall have the right to purchase from the Declarant one (1) Hangar Unit in the Hangar Condominiums, for an additional purchase price over and above the purchase price of the Lot.

12.2 Ownership of a Hangar Unit shall entitle such Lot Owner to Membership in the Hangar Condominium Ownership Association. Membership in the Hangar Condominium Ownership Association shall terminate upon the sale of such Hangar Unit and shall be automatically conferred upon the new owner of the Hangar Unit.

12.3 Homeowners within the Orchard Lair No. 1 Homeowners’ Association who own a Hangar Unit shall also be governed as to their respective Hangar Units by the Orchard Lair Hangar Condominiums Declaration of Condominium Ownership, the Orchard Lair Hangar Condominiums Bylaws recorded as Instrument No. 200815128, Yamhill County Records (as same may be amended from time to time, the "Orchard Lair Hangar Condominiums Bylaws") and the Orchard Lair Hangar Condominiums Owners Association. The Orchard Lair Hangar Condominiums Declaration of Ownership and the Orchard Lair Hangar Condominiums Bylaws have been, and any amendments thereto shall be, recorded with the Yamhill County Recorder."
12.4 Except with respect to sales of Hangar Units by the Declarant in connection with initial Lot sales by the Declarant, each Hangar Unit together with its undivided interest in the Common Elements as provided in the Orchard Lair Hangar Condominiums Declaration of Condominium Ownership shall be subject to a right of first refusal in favor of each Lot Owner, as provided below.

12.4.1 In the event any Hangar Unit Owner, except for the Declarant in connection with initial Lot sales by the Declarant, desires to sell or lease a Hangar Unit to any person other than a Lot Owner, prior to offering such Hangar Unit for sale or lease the Hangar Unit Owner shall first notify all Lot Owners of the terms and conditions upon which the Hangar Unit Owner desires to sell or lease the Hangar Unit. Such notification (the "Notice") shall be in writing and either personally delivered or sent by certified mail return receipt requested or national delivery service (e.g. UPS or Federal Express) to the municipal address of each of the Lots owned by such Lot Owners, or if no municipal address is available or delivery may not be made to such address, then to the address of the Owner of such Lot or Lots kept on the rolls of the county tax assessor with respect to such Lot for purposes of sending property tax notices.

12.4.2 Each Lot Owner shall have fifteen (15) days from the date of delivery of the Notice in which to notify the Hangar Unit Owner if they wish to purchase or lease (as applicable) the Hangar Unit on the terms set forth in the Notice. Each such notification by any Lot Owner shall be delivered to the Hangar Unit Owner by any of the same means as required for delivery of the Notice to the Lot Owners as set forth above. If more than one Lot Owner notifies the Hangar Unit Owner in accordance with this Section of its desire to purchase or lease, as the case may be, the Hangar Unit on the terms set forth in the Notice, priority shall be given to the Lot Owner who does not then own a Hangar Unit. If more than one Lot Owner who does not then own a Hangar Unit notifies the Hangar Unit Owner in accordance with this Section of its desire to purchase or lease the Hangar Unit on the terms set forth in the Notice, then the Hangar Unit Owner shall determine in his or her sole discretion with which such Lot Owner the Hangar Unit Owner shall agree to sell or lease the Hangar Unit, subject to negotiation and execution of an agreement for purchase and sale, or negotiation of a lease, as applicable, of such Hangar Unit as provided below. If more than one Lot Owner notifies the Hangar Unit Owner in accordance with this Section of its desire to purchase or lease the Hangar Unit on the terms set forth in the Notice, and there is not one such Lot Owner who is entitled to priority over the others as described above, then the Hangar Unit Owner shall determine in his or her sole discretion with which Lot Owner the Hangar Unit Owner shall agree to sell or lease the Hangar Unit, subject to negotiation and execution of an agreement for purchase and sale, or negotiation of a lease, as applicable, of such Hangar Unit as provided below.

12.4.3 If the Hangar Unit Owner and the Lot Owner determined pursuant to the foregoing Section 12.4.2 are unable to enter into an agreement for the purchase and sale of the Hangar Unit on the terms set forth in the Notice and close such purchase and sale within thirty (30) days following the date such Lot Owner is
selected pursuant to the foregoing Section 12.4.2, or in the case of a lease the Hangar Unit Owner and the Lot Owner determined pursuant to the foregoing Section 12.4.2 are unable to enter into a lease within thirty (30) days following the date such Lot Owner is selected pursuant to the foregoing Section 12.4.2, then the Hangar Unit Owner shall be free to market and sell or lease, as applicable, the Hangar Unit to any person within his or her sole discretion, but in any event subject to all other applicable provisions of this Declaration and the Orchard Lair Hangar Condominiums Declaration of Ownership.

12.4.4 Except as provided in Section 12.4.5 below, each purchaser or lessee of a Hangar Unit, whether a Lot Owner or not, shall take title to or possession of the Hangar Unit Subject to the right of first refusal described in this Section 12.4, which shall be a covenant running with such Hangar Unit.

12.4.5 Notwithstanding anything to the contrary in this Section 12.4 or in any other provision of this Declaration, the right of first refusal described in this Section 12.4 shall be subject and at all times subordinate to the lien of any mortgage or deed of trust encumbering a Hangar Unit, and the mortgagor or beneficiary of such mortgage or deed of trust ("Lender") shall not be bound by the terms of such right of first refusal in any respect, including with respect to such Lender's judicial or nonjudicial foreclosure of such Hangar Unit, appointment of a receiver, acceptance of a deed in lieu of foreclosure or subsequent sale by such Lender to any third party.”

4. Except as expressly amended by this Second Amendment, the CC&Rs remain unchanged.

[Signatures begin on the following page.]
This Second Amendment has been executed as of the date first written above by the Declarant, who at the time of execution, constituted at least eighty-five (85%) of the Owners.

DECLARANT:

THIRD STREET DEVELOPMENT, LLC
an Oregon limited liability company

By: Newberg Development Group LLC
Its: Member
By: Michael Willecuts
Its: Member

STATE OF OREGON

COUNTY OF YAMHILL

On this 14 day of March, 2009, before me, the undersigned, a Notary Public in and for the State of Oregon, duly commissioned and sworn, personally appeared Michael Willecuts, me known to be the person who signed as a member of Newberg Development Group LLC, an Oregon limited liability company, as member of Third Street Development LLC, an Oregon limited liability company, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he was duly elected, qualified and acting as said officer of the limited liability company and that he was authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.

(Signature of Notary)

(Print or stamp name of Notary)

Exhibit A

Legal Description

A tract of land in Section 20, Township 3 South, Range 2 West, Willamette Meridian, being all of Tract A of "ORCHARD LAIR PHASE 1" Subdivision, Yamhill County Plat Records, the exterior boundary of which is described as follows:

BEGINNING at the southeast corner of Tract A of "ORCHARD LAIR PHASE 1" Subdivision; thence North 0°09'14" West 218.94 feet to the northeast corner of said Tract A; thence North 66°58'18" West 132.82 feet to an angle point in the north line of said Tract A; thence South 61°18'53" West 32.28 feet to an angle point in the north line of said Tract A; thence North 66°58'18" West 45.00 feet to the northwest corner of said Tract A, said point being on east margin of Air Park Way (a private street), thence South 23°01'42" West 196.80 feet to a curve point in the west line of said Tract A, said point being the beginning of a curve having a radius of 151.00 feet and being concave to the southeast; thence Southwesterly 61.43 feet along said curve (Chord= South 11°22'29" West 61.00 feet); thence South 0°16'44" East 33.44 feet to the southwest corner of said Tract A; thence North 89°43'23" East 281.42 feet to the POINT OF BEGINNING.
Exhibit B

Copy of Letter from Planning and Building Director of the City of Newberg

[Attached]
March 9, 2009

Third Street Development, LLC
Attn: Marc Willcuts
c/o Mr. Jeff Smith
4386 SW Macadam Ave, Ste 305
Portland, OR 97239

Re: Orchard Lair No. 1 and Orchard Lair Hangar Condominiums, Newberg, Oregon

Mr. Willcuts:

I am writing with reference to Section 151.449.2 (Permitted Buildings and Uses) of the Airport Residential District regulations of the Newberg Development Code. Subsection (B) of that Section provides, in pertinent part, as follows (emphasis added):

151.449.2 PERMITTED BUILDINGS AND USES.

(A) In the AR Airport Residential District, the following buildings and uses are permitted, as hereinafter specifically provided.

(B) The buildings and uses are subject to the general provisions and exceptions set forth in this code:

(1) Residential Airpark Development, meaning one residence per lot with addition of a tiedown or hangar for an airplane. At a minimum, a paved tiedown or hangar shall be provided on the property, or the property shall include permanent rights to a private hangar within the subdivision.

(2) Accessory uses and structures.

(3) Aircraft hangar. No aircraft hangar shall be constructed on any parcel or lot without a residential dwelling, except if it is provided with permanent rights to a nearby airpark residence as per (B)(1) above. An aircraft hangar cannot be used as a residence.

***************************
This letter is to confirm that the right of first refusal for the owner of a residence within the subdivision to purchase or lease a private hangar within the subdivision, as provided in the language of the foregoing Second Amendment to Conditions Covenants and Restrictions For Orchard Lair No. 1 dated March 6, 2009, to which this letter is attached as Exhibit B thereto, is approved by the City as satisfying the requirement of "permanent rights" under Section 151.449.2 of the Development Code.

Thank you for your inquiry.

Yours truly,

Barton Brierley, AICP
Planning and Building Director

STATE OF OREGON )
 )ss.
COUNTY OF YAMHILL )

On this 9th day of March, 2009, before me, the undersigned, a Notary Public in and for the State of Oregon, duly commissioned and sworn, personally appeared Barton Brierley, as Planning and Building Director of the City of Newberg, Oregon, known by me to be the person who executed the within and foregoing instrument, and acknowledged said instrument to be his free and voluntary act and deed in such capacity, and with all authority, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of Oregon - Yamhill County

My appointment expires: May 29, 2012

"Working Together For A Better Community-Serious About Service"
THIRD AMENDMENT TO
CONDITIONS COVENANTS AND RESTRICTIONS
FOR ORCHARD LAIR NO. 1

This Third Amendment to Conditions Covenants and Restrictions for Orchard Lair No. 1, a subdivision in the City of Newberg, Yamhill County, Oregon (this "Third Amendment") is made this 22 day of October, 2009, by Orchard Lair Investment Group, LLC, an Oregon limited liability company (Declarations) and Third Street Development, LLC, an Oregon limited liability company.

Recitals:

A. Declarant owns or has owned that certain real property located in Yamhill County, Oregon known as "Orchard Lair No. 1".
B. On September 27, 2007, Declarant recorded those certain Conditions Covenants and Restrictions against the Real Property as Instrument No. 200721373, Yamhill County Records (the initial CC&R's).
C. On March 26, 2008, Declarant recorded a First Amendment to Conditions Covenants and Restrictions against the Real Property as Instrument No. 200805254, Yamhill County Records (the "First Amendment").
D. On March 11, 2009, Declarant recorded a Second Amendment to Conditions Covenants and Restrictions against the Real Property's Instrument No. 200903242 (the "Second Amendment").
E. Declarant desires to amend the Initial CC&R's and First and Second Amendments (together the CC&R's) as provided in this Third Amendment for the benefit of all of the Lots which will comprise the subdivision plat known as Orchard Lair No. 1, consisting of fourteen (14) lots designated for residential development.

NOW, THEREFORE, in consideration of the foregoing and pursuant to Section 8 of the Initial CC&R’s, the Initial CC&R’s and First and Second Amendments are amended as follows:

1. Defined Terms. Capitalized words and terms used herein without definitions shall have the respective meaning as set for the in the CC&R’s.

2. Easements. Section 4.5 is hereby added to the Initial CC&R’s as follows:

4.5 The Homeowner's Association reserves an easement on Lots 1 and 14, more particularly set forth on the attached Exhibit 'A'.

3. Maintenance of Lots. Section 5 of the Initial CC&R’s is deleted and replaced in its entirety with the following:

5.1 Each Owner of any Lot in the affected property shall maintain the condition of said Lot and any improvements thereon including, without limitation, any House, Hangar, building, fencing, structure, landscaping, sidewalks, driveways, trees, shrubs, or other vegetation thereon in a reasonable clean, neat, attractive and visually pleasing manner so as to not detract from the affected property being a high-class residential neighborhood.
5.1.1 Owners of Lots 1 and 14 shall maintain the condition of the public sidewalk along their respective lot frontage on East 3rd St.

5.1.2 The Owners of Lots 1 and 14 will be responsible for costs associated with the water supply of irrigation placed within easement of such lots, subject to the provisions of Section 4.5. Owner agrees to continue supply to irrigation as such that improvements can be maintained in a manner consistent with the standard of design and quality as originally established by the Declarant or ARC. If Owner willingly or unwillingly neglects to provide appropriate water supply to improvements within easement Owner will be responsible for all costs associated with replacement.

5.1.3 The Homeowner's Association shall pay for maintenance, upkeep and scheduled replacement pertaining to that certain portion of Lots 1 and 14, Orchard Lair No.1. The Homeowner's Association shall be responsible for the maintenance of planter strip landscaping along frontage on East 3rd St.

4. Except as expressly amended by this Third Amendment, the CC&R's remain unchanged.

This Third Amendment has been executed as of the date first written above by the Declarant, who at the time of execution, constituted at least eighty-five (85%) of the Owners.

DECLARANT:

ORCHARD LAIR INVESTMENT GROUP, LLC
an Oregon limited liability company

By: J.T. Smith Companies
Its: Manager

STATE OF OREGON

( )

County of Yamhill

( ) ss.

This instrument was acknowledged before me on the 22 day of October 2009, by Jeff Smith for J.T. Smith Companies, as the manager of Orchard Lair Investment Company, LLC, an Oregon limited liability company.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.

Notary Public for Oregon
My commission expires: October 31, 2010
THIRD STREET DEVELOPMENT, LLC
an Oregon limited liability company

By: Newberg Development Group, LLC
Its: Member
By: Michael R Willcuts
Its: Member

STATE OF OREGON )
County of Yamhill ) ss.

This instrument was acknowledged before me on the 22 day of October 2009, by Michael R Willcuts as member of Newberg Development Group, LLC, an Oregon limited liability company, as member of Third Street Development, LLC, an Oregon limited liability company.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.

JULIE SELBY
Notary Public for Oregon
My commission expires: October 31, 2010
BYLAWS OF
ORCHARD LAIR NO. 1 HOMEOWNER'S ASSOCIATION

ARTICLE 1
DEFINITIONS

1.1 Association. "Association" means ORCHARD LAIR NO. 1 HOMEOWNER'S ASSOCIATION, a nonprofit corporation organized and existing under the laws of the State of Oregon.

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

1.3 Declaration. The "Declaration" means the Declaration of Conditions, Covenants, and Restrictions for Orchard Lair No. 1 Homeowner's Association to which these Bylaws are attached, as the same may be subsequently amended or supplemented pursuant to the terms thereof.

1.4 Incorporation by Reference. Except as otherwise provided herein, the terms that are defined in Section 1 of the Declaration are used in these Bylaws as therein defined.

ARTICLE 2
MEMBERSHIP

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

2.2 Membership List. The Secretary shall maintain at the principal office of the Association a membership list showing the name and address of the Owner of each Lot. The Secretary may accept as satisfactory proof of such ownership a duly executed and acknowledged conveyance, a title insurance policy, or other evidence reasonably acceptable to the Board of Directors.
ARTICLE 3

MEETINGS AND VOTING

3.1 Place of Meetings. Meetings of the members of the Association shall be held at such reasonable place convenient to the members as may be designated in the notice of the meeting.

3.2 Turnover Meeting. Declarant shall call the first meeting of the Owners to organize the Association within ninety (90) days after termination of the Class B membership as provided in Section 3.7 below. Notice of such meeting shall be given to all Owners as provided in Section 3.5. If the Declarant fails to call the meeting, the meeting may be called and notice given by any Owner or mortgagee of a Lot. The expense of giving notice shall be paid or reimbursed by the Association. No quorum is required for the Turnover Meeting. Nothing in this section shall be construed as preventing Declarant from calling the Turnover Meeting before such date or from calling informal, informational meetings of the Owners.

3.3 Annual Meeting. The annual meeting of the members for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such reasonable hour and on such reasonable day as may be established by the Board of Directors or, if the Board should fail to designate a date by the first day of July, then the meeting shall occur at 7:00 p.m. on the second (2nd) Monday in August. An annual meeting shall be held within each calendar year, commencing with the year in which the Association is incorporated. The Turnover Meeting may count as the annual meeting for the year in which it is held.

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

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

(b) When a meeting is adjourned for thirty (30) days or more, or when a redetermination of the persons entitled to receive notice of the adjourned meeting is required by law, notice of the adjourned meeting shall be given as for an original meeting. In all other cases, no notice of the adjournment or of the business to be transacted at the adjourned meeting need be given other than by announcement at the meeting at which such adjournment is taken.

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3.6 **Quorum.** At any meeting of the Association, except the Turnover Meeting, members having at least twenty percent (20%) of the voting rights entitled to be cast at such meeting, present in person or by proxy, shall constitute a quorum, except when a larger quorum is required by the Declaration. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a member or members. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time not less than forty-eight (48) hours or more than thirty (30) days from the time the original meeting was called until a quorum is present. The quorum for the adjourned meeting shall be reduced to ten percent (10%) of the voting rights entitled to be cast at the meeting, present in person or by proxy.

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

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

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

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

**Class B.** The Class B member shall be Declarant and shall be entitled to three (3) times the voting rights computed under Section (a) for each Lot owned by Declarant. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(I) When eighty percent (80%) of the total Lots in all phases of development of Orchard Lair No. 1 have been sold and conveyed to Owners other than Declarant; or

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

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

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

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


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

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

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

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

ARTICLE 4

BOARD OF DIRECTORS

4.1 **Number and Qualification.** The affairs of the Association shall be governed by a Board of Directors of five (5) persons. All directors, other than interim directors appointed by Declarant, shall be Owners or co-Owners of Lots. For purposes of this section, the officers of any corporate Owner, the members of any limited liability company, and the partners of any partnership shall be considered co-Owners of any Lots owned by such corporation or partnership.

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

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

4.4 **Election and Tenure of Office.** (a) At the Turnover Meeting, the interim directors shall resign and the members shall elect five (5) directors, two (2) directors to serve for three (3) year and two (2) directors to serve for two (2) years and one (1) for a term of one (1) year. Thereafter, the successors to each director shall serve for three (3) years. The nominees' terms shall be in order based on the number of votes received, with the largest number of votes serving the longest term. In the event of a tie, term selection shall be by random means. If a Director is unable to serve his full term, a successor Director shall be selected in accordance with Section 4.5 below.

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

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

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

4.6 **Removal of Directors.** All or any number of the directors, other than interim directors, may be removed, with or without cause, at any meeting of members at which a quorum is present, by a vote of a majority of the number of votes entitled to be cast at an election of directors. No removal of a director shall be effective unless the matter of removal was an item on the agenda and stated in the notice of the meeting as provided in these Bylaws.

4.7 **Powers.** The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law, or by the Declaration, or by these Bylaws may not be delegated to the Board of Directors by the Owners. The Board of Directors may delegate responsibilities to committees or a managing agent, but shall retain ultimate control and supervision. The powers and duties to be exercised by the Board of Directors shall include any provisions in the Declaration, the Oregon Planned Community Act, the Oregon Non-Profit Corporation Act, and the following:

(a) Carry out the program for maintenance, upkeep, repair and replacement of any property required to be maintained by the Association as described in the Declaration and these Bylaws.
(b) Determine the amounts required for operation, maintenance and other affairs of the Association, and the making of such expenditures.

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

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

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

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

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

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

(i) Sell, lease, mortgage, vote the votes appurtenant to (other than for the election of directors), or otherwise deal with Lots acquired by the Association or its designee.

(j) Obtain insurance or bonds pursuant to the provisions of these Bylaws and review such insurance coverage at least annually.

(k) Make additions and improvements to, or alterations of, the Common Areas, or modify, close, remove, eliminate or discontinue use of any common facility, including any improvement or landscaping, except that any such modification, closure, removal, elimination or discontinuance (other than on a temporary basis) of any swimming pool, spa or recreational or community building must be approved by a majority vote of the members at a meeting or by written ballot held or conducted in accordance with these Bylaws.
(l) From time to time adopt, modify, or revoke such rules and regulations governing the details for the operation of the Association, the conduct of persons and the operation and use of the Property as the Board of Directors may deem necessary or appropriate to ensure the peaceful and orderly use and enjoyment of the Property. Such action may be overruled or modified by vote of not less than seventy-five percent (75%) of the voting rights of each class of members present, in person or by proxy, at any meeting, the notice of which shall have stated that such modification or revocation of rules and regulations will be under consideration.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.14 **Committees.** The Board may from time to time establish committees of the Board pursuant to ORS 65.354, including an Architectural Review Committee. Such standing or temporary committees as may be necessary from time to time consisting of Owners and at least one member of the Board of Directors shall have such powers as the Board of Directors may designate. Such committees shall hold office at the pleasure of the Board.

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

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

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

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

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

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

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

**ARTICLE 5**

**OFFICERS**

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

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

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

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

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

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

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

(c) If there are no Vice Presidents, then in the absence or disability of the President, the President's duties and powers shall be performed and exercised by the Secretary.

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

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

**ARTICLE 6**

**ASSESSMENTS, RECORDS AND REPORTS**

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

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

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

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

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

(e) If Additional Properties are annexed to the Property, the Board of Directors shall assess any Lots included therein in accordance with the provisions of the Declaration.

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

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

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

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

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

6.5 **Payment of Vouchers.** The Treasurer or managing agent shall pay all vouchers for all budgeted items and for any non-budgeted items, up to $1,000 signed by the President, managing agent, manager or other person authorized by the Board of Directors. Any voucher for non-budgeted items in excess of $1,000 shall require the authorization of the President or a resolution of the Board of Directors.

6.6 **Execution of Documents.** The Board of Directors may, except as otherwise provided in the Declaration, Articles of Incorporation, or these Bylaws, authorize any officer or agent to enter into any contract or execute any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement, to pledge its credit, or to render it liable for any purpose or for any amount.

6.7 **Reports and Audits.** An annual financial statement consisting of a balance sheet and an income and expense statement for the preceding year shall be rendered by the Board of Directors to all Owners, and to all mortgagees who have requested the same, within ninety (90) days after the end of each fiscal year. From time to time, the Board of Directors, at the expense of the Association, may obtain an audit of the books and records pertaining to the Association and furnish copies thereof to the members. At any time any Owner or holder of a mortgage may, at
their own expense, cause an audit or inspection to be made of the books and records of the Association. Subject to ORS 94.670 (4) and its applications, if the Association has annual assessments exceeding $75,000, it shall cause the financial statement required herein to be reviewed within 180 days after the end of the fiscal year by an independent certified public accountant licensed by the State of Oregon.

ARTICLE 7

INSURANCE

7.1 Types of Insurance. For the benefit of the Association and the Owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the Operations Fund, the following insurance:

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

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

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

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

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

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

**ARTICLE 8**

**GENERAL PROVISIONS**

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

8.2 **Notice.** All notices to the Association or to the Board of Directors shall be sent care of the managing agent or, if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. All notices to members shall be sent to the member's Home or to such other address as may have been designated by the member from time to time in writing to the Board of Directors.

8.3 **Waiver of Notice.** Whenever any notice to any member or director is required by law, the Declaration, the Articles of Incorporation, or these Bylaws, a waiver of notice in writing signed at any time by the person entitled to notice shall be equivalent to the giving of the notice.

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

8.5 **Conflicts.** These Bylaws are intended to comply with the Oregon Planned Community Act, the Oregon Nonprofit Corporation Law, the Declaration and the Articles of Incorporation. In case of any irreconcilable conflict, such statutes and documents shall control over these Bylaws.
ARTICLE 9

AMENDMENTS TO BYLAWS

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

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

(b) Notwithstanding the provisions of the preceding paragraph, until the Turnover Meeting has occurred, Declarant shall have the right to amend these Bylaws in order to comply with the requirements of the Federal Housing Administration, the United States Department of Veterans Affairs, the Farmers Home Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon that insures, guarantees or provides financing for a planned community or lots in a planned community. After the Turnover Meeting, any such amendment shall require the approval of a majority of the voting rights of the Association, voting in person, by proxy, or by ballot, at a meeting or ballot meeting of the Association at which a quorum is represented.

9.3 **Relationship to Declaration.** If a provision required to be in the declaration under ORS 94.580 is included in these bylaws, the voting requirements for amending the declaration shall also govern the amendment of the provision in the bylaws.

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

**Orchard Lair No. 1 Homeowner’s Association**

By: Marc Willcuts
Its: President

PAGE 17 of 18 - BYLAWS OF ORCHARD LAIR NO. 1 HOMEOWNER’S ASSOCIATION
STATE OF OREGON
County of Yamhill

The foregoing instrument was acknowledged before me this 13th day of July, 2007, by Marc Willecuts, President for Orchard Lair No. 1 Homeowners Association and he acknowledged to me that he executed the same freely and voluntarily.

[Signature]

Notary Public of Oregon
My commission expires:
DECLARATION

KNOW ALL MEN BY THESE PRESENTS that THIRD STREET DEVELOPMENT, LLC, a Limited Liability Company, is the owner, and BANNER BANK, INC., an Oregon Corporation, is the holder of a Deed of Trust recorded in instrument No. 2566–2573 & 2566–2574, Yamhill County Deed & Mortgage Records, of the lands represented on the attached map and more particularly described in the Surveyor's Certificate and have caused said lands to be surveyed and platted into lots and monuments as shown and noted on the attached map, in accordance with the provisions of the respective O.R.S. and the ordinances of the City of Newberg, to be dedicated as "ORCHARD LAIR PHASE I." We the undersigned do hereby dedicate all easements for the purposes shown and noted on the attached map and donate all shared utility improvements located in TRACT B & TRACT C & TRACT D to the public. Tracts B & C are hereby conveyed to "ORCHARD LAIR PHASE I HOMEOWNERS ASSOCIATION," a duly created Home Owners Association which is recorded in instrument No. 25734

Yamhill County Deed & Mortgage Records.

Joan Hopwood
Notary Public (Oregon)

STATE OF OREGON I, SS.

COUNTY OF YAMHILL

On this day the third day of August 2007, did personally appear MARC WILCOX, who was duly sworn, did say that he is the identical person named in the foregoing instrument and that he executed and instrument on behalf of said corporation, freely and voluntarily.

AFFIDAVIT OF CONSENT TO THE DECLARATION

BY: BANNER BANK, INC.

Official, Yamhill County Records

JIM COLEMAN, COUNTY CLERK

09/27/2007 03:47:04 PM

PR-PRF8 Cntq 1 Size 2 RTM

$5.00 $10.00 $15.00

By: NATHAN MAGNESS, PLS 60087

Registered Professional Land Surveyor

Oraganiza

Nathan Magsness

By: MAGNESS LAND SURVEYING

PO BOX 128
WILLAMETTE, OR 97396
PHONE: 503-991-5874
FAX: 503-217-2413
E-MAIL: magness@tulmak.com

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