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AFTER RECORDING RETURN TO:

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SEND ALL TAX STATEMENTS TO:

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CONDITIONS COVENANTS AND RESTRICTIONS

This DECLARATION OF CONDITIONS, COVENANTS, AND RESTRICTIONS FOR ORCHARD LAIR NO. 2, 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. 2 consisting of one hundred and twenty-five (125) residential lots will be recorded associated with the said real property with a copy of the subdivision plat attached hereto as Exhibit "B" 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.

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.

FIRST AMERICAN TITLE

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

1.7 "Utility Easement" means an easement for the installation, repair, maintenance and use of all utilities and public facilities including, but not limited to, power, telephone, natural gas, sanitary sewer and storm drain.

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 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 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 of 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.

2.11.2 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 model 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 3.13.

2.12 Rubbish and Trash. No Lot or part of the Common Area shall be used as a dumping ground for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate containers for timely and proper disposal, out of public view. Yard rakings, dirt and

other material resulting from landscaping work shall not be dumped onto streets, the Common Areas or any other Lots. 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 3 - BUILDING STANDARDS

3.1 No lot shall be used except for residential purposes as a single-family dwelling. There are no mobile homes or manufactured homes allowed whatsoever in any portion of the affected property. No building shall be constructed on any Lot other than one single family dwelling not to exceed 2 stories in height and an attached private garage of sufficient size to store a minimum of one (1) vehicle, as long as an additional off-street parking space is available, otherwise two (2) garage parking spaces are required. All houses shall be constructed to a minimum of 1,000 sq. ft. excluding the garage area and open porches. All houses shall be constructed with all roofing material at a minimum 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. Lot 33, the dwelling and improvements on said Lot already being completed prior to the recording of the subdivision plat, is exempt from this section on building standards.

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 circumstance 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 planting 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 the approval of the subdivision:

Minimum requirements for all lots are established in the current City of Newberg code section § 151.449.6b for density transfer within the ARO Sub-District.

"The following dimensional requirements shall be applicable in the R-2 District in order to accommodate the density transfer provision of this Section; front yard setback – 10-feet; Garage front yard setback – 18-feet; interior yard setback – 3-feet; Non-alley rear yard setback – 5-feet; Alley rear yard setback – 3-feet. Maximum lot depth to lot width ration is 3:1. The minimum lot width shall be 28-feet." Roof overhangs may not encroach in the setbacks.

3.4 Rain gutters and downspouts. The roof rain gutters and downspouts for any dwellings or residences located on Lots 34, 35, 36, 37, 38, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138 and 139 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 rakings, 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 ORCHARD LAIR NO. 2.

4.1.1 Lots 20, 21, 39, 52, 53, 66, 76, 77, 84, 85, 92, 93, 105 – 107, 115, 120 and 123 have varying sized Homeowner Association (HOA) maintained landscape easements on them as set forth on the plat of ORCHARD LAIR NO. 2 that will require the individual lot owner home water meters to provide the water to irrigate them. To compensate these lot owners, Lots 20 and 106 shall have their annual HOA dues reduced by $20/year; Lots 39, 52, 53, 66, 77, 84, 85, 92, 93, 105, 115 & 120 shall have their annual HOA dues reduced by $40/year; Lots 21, 107 & 123 shall have their annual HOA dues reduced by $60/year and Lot 76 shall have its annual HOA dues reduced by $80/year.

4.2 The Homeowner's Association reserves and easement and shall pay for the maintenance, upkeep and replacement pertaining to that certain portion of the pedestrian boardwalk that is contained with the Tracts designates as Tract F and Tract G on the Subdivision Plat.

SECTION 5 - MAINTENANCE OF LOTS

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, 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.

SECT1ON 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 a 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 respectively.

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 HOA Bylaws Article 10.6, the Board may levy a special assessment to fund any construction, alteration, repair or maintenance of an improvement (or any other portions of the common area) for which no reserve has been collected or for which the reserve account is insufficient to cover the cost of the proposed improvement.

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 to liability for such damage under Oregon law, such Owner does hereby authorize the Association to repair such damage. The Association shall repair the damage and restore the area in workmanlike manner as originally constituted or as may be modified or altered subsequently by the Association in the discretion of the Board of Directors. The reasonable cost necessary for such repairs shall become a special assessment upon the Lot of the Owner who caused or is responsible for such damage.

SECTION 7 – ARCHITECTURAL REVIEW COMMITTEE (ARC)

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 from 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 and 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 of receiving all material required by it with respect to the proposal, the application shall be deemed approved. Approval by the ARC does not imply government approval which is solely the responsibility of the Owner.

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 affect 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 a 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) fine 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 therefrom.

7.12 Neither the ARC, the Board, their agents, nor any member thereof shall be liable to any Owner, Occupant, or builder for any damage, loss or prejudice suffered or claimed 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 no so comply, in which event, the certificate shall also identify the noncomplying improvements and set forth with particularity the nature of such noncompliance. The Owner, his/her/their heirs, devisees, successors and assigns shall be entitled to rely on the certificate with respect to the matters set forth. The certificate shall be conclusive as between the Declarant, the ARC the Association and all Owners, and all such persons deriving an interest through any of them.

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.

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 Section 8 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 of 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 Owners are responsible for the maintenance and repairs of the public sidewalk and landscaping fronting their respective property lines.

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 note 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.

This said Declaration has been executed by at least 85% of the Owners.

THIRD STREET DEVELOPMENT, LLC, AN OREGON LIMITED LIABILITY COMPANY.

By: Marc Willcuts
Its: Member

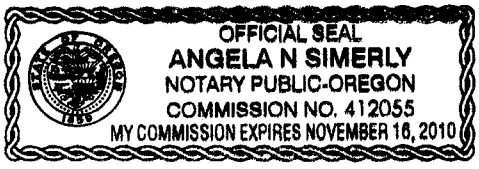
(Notarial Acknowledgment of Third Street Development contained on Page 15)

///

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.



Angela N. Simerly
Notary Public for Oregon
My commission expires: 11-16-2010

OFFICIAL YAMHILL COUNTY RECORDS
JAN COLEMAN, COUNTY CLERK
200801511
$31.00
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01/29/2008 01:33:18 PM
PR-CRPR Cnt=1 Stn=2 ANITA
$10.00 $10.00 $11.00

FIRST AMENDMENT TO CONDITIONS COVENANTS AND RESTRICTIONS FOR ORCHARD LAIR NO. 2

This First Amendment to Conditions Covenants and Restrictions for Orchard Lair No. 2 (the "First Amendment") is made this 28th day of January, 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 described as ORCHARD LAIR NO. 2 (the "Real Property").

B. On September 27, 2007, Declarant recorded those certain Conditions Covenants and Restrictions against the Real Property as Instrument No. 200721382, 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. 2 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. 2, consisting of one hundred and twenty-five (125) 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.

2. Landscaping. Section 3.2 of the Initial CC&Rs is deleted and is replaced with the following:

> "3.2 Landscaping. The front yard and any applicable side yard of the Lot upon which a dwelling structure has been constructed shall be fully and completely landscaped with underground irrigation, the planting of cultivated grass lawns and various shrubs prior to the occupancy of the dwelling on that specific Lot. Continuing Landscaping and maintenance of the front yards of each Lot shall be the responsibility and obligation of the Home Owners Association. 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.

FIRST AMERICAN TITLE

3.2.1 The Home Owners Association shall also be responsible for the landscaping and maintenance of the side street yards for any Lot that is also a Corner Lot.

3.2.2 Except as otherwise provided herein for Corner Lots, any and all landscaping associated with the back and side yards (not included in Section 3.2.1 above) 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.

3.2.3 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. 2 subdivision are the responsibility of the Home Owners Association.

3. Easements. Section 4.1.1 of the Initial CC&Rs is deleted in it entirety.

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.

THIRD STREET DEVELOPMENT, LLC, AN OREGON LIMITED LIABILITY COMPANY.

By: Marc Willcuts
Its: Member

State of Oregon)
) ss
County of Yamhill)

Personally appeared before me the above-named Marc Willcuts who stated that he was 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 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 28th day of January, 2008.

OFFICIAL SEAL
JAYME ROBINSON
NOTARY PUBLIC-OREGON
COMMISSION NO. 419611
MY COMMISSION EXPIRES JULY 24, 2011

Jayme Robinson
Notary Public for Oregon
My commission expires: 7-24-11

AFTER RECORDING, RETURN TO:
Charles E. Harrell
BUCKLEY LECHEVALLIER P.C.
Three Centerpointe Drive, Suite 250
Lake Oswego, Oregon 97035

OFFICIAL YAMHILL COUNTY RECORDS
REBEKAH STERN DOLL, COUNTY CLERK

00346376201000049150370378 $241.00

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$185.00 $10.00 $20.00 $11.00 $15.00

FIRST AMERICAN TITLE C21

RESTATED DECLARATION OF

COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

ORCHARD LAIR PHASE 2

4/37

THIS RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ORCHARD LAIR PHASE 2 ("Restated Declaration") is made this 14 day of April, 2010 by Third Street Development, LLC, an Oregon limited liability company, as the Declarant.

RECITALS

A. WHEREAS, the Declarant and other undersigned Owners are the owners, or control, all that certain property and improvements thereon located in City of Newberg, Yamhill County, State of Oregon, referred to as the Plat of Orchard Lair Phase 2, recorded September 27, 2007, as Document No. 2007-21380, consisting of Lots 15 through 139, and Tracts E, F, G, H, I, J and K ("Orchard Lair No. 2" or the "Real Property");

B. WHEREAS, the Declarant developed Orchard Lair No. 2 as a Class I Planned Community under ORS 94.550 through ORS 94.785, and established the planned development project of Orchard Lair No. 2. As a Class I Planned Community Declarant and the other undersigned Owners desire to impose these mutually beneficial covenants, conditions, restrictions, easements, assessments and liens on the Real Property under a comprehensive general plan of improvement and residential development for the benefit of all of the Owners, the Lots and Common Areas within Orchard Lair No. 2;

C. WHEREAS, the Declarant and other undersigned Owners have deemed it desirable for the preservation of the values and amenities in Orchard Lair No. 2 to create a Homeowners Association, which shall be a non-profit Oregon corporation, to which will be delegated and assigned the powers and authority to own, maintain, and administer the Homeowners Association and the Common Area and facilities, and administer and enforce the covenants, conditions, and restrictions of this Declaration, and collect and disburse the assessments and charges hereinafter created;

D. WHEREAS, the Declarant recorded the initial Conditions Covenants and Restrictions for Orchard Lair No. 2 on September 27, 2007 as Instrument No. 2007-21382 ("Initial CC&Rs");

E. WHEREAS, the Declarant recorded the First Amendment to Conditions Covenants and Restrictions for Orchard Lair No. 2 on January 28, 2008 as Instrument No. 2008-01511 ("First Amended CC&Rs");

F. Section F. has been intentionally deleted.

G. WHEREAS, the Declarant and other undersigned Owners desire to amend and restate the Declaration of Conditions Covenants and Restrictions for Orchard Lair No. 2 to

incorporate the amendments contained in the First Amended CC&Rs and the Second Amended CC&Rs, and to ensure compliance with ORS 94.550 through ORS 94.785

H. NOW, THEREFORE, the Declarant declares that the Real Property shall be held, transferred, sold, conveyed, and occupied subject to the following covenants, conditions, restrictions, easements, charges, and liens, or as noted herein, which shall run with the land and shall be binding upon all parties having or acquiring any right, title, or interest in the Real Property or any part thereof and shall inure to the benefit of the Homeowners Association and of each Lot Owner. The Declarant and other undersigned Owners are not committing themselves to take any action other than as expressly provided herein by adoption of the covenants, conditions, and restrictions set forth in this Restated Declaration. Anyone acquiring one or more Lots will have the advantage of any further development, but shall not have any legal right to insist that there be development except as expressly provided herein.

NOW, THEREFORE, Declarant and other undersigned Owners subject the Real Property, together with any and all real property and improvements which may be added to the Real Property pursuant to the provisions of this Restated Declaration, to the covenants, conditions, and restrictions set forth below.

CONDITIONS COVENANTS AND RESTRICTIONS

SECTION 1. INTRODUCTION

1.1 General Declaration. The conditions, covenants, and restrictions set forth in this Restated Declaration shall run with and bind the Real Property, each Lot, and other division, if any, of the Real Property, the Owners, the Occupants, the Homeowners Association, and all other Persons acquiring any interest in the Real Property or any portion thereof, and the heirs, successors, and assigns of the Owners, the Occupants, the Homeowners Association, and such other Persons. These conditions, covenants, and restrictions shall inure to the benefit of and be burdens upon Declarant and upon all Owners, Occupants, future Owners, the Homeowners Association, and future Occupants.

SECTION 2. DEFINED TERMS

Throughout this Restated Declaration, the following terms, when capitalized, shall have the following meanings:

2.1 "Architectural Review Committee" or "ARC" shall mean the Declarant until Turnover and thereafter the Board of Directors or the committee formed pursuant to Section 6 to review and approve or disapprove plans and specifications for the design and construction of Improvements within Orchard Lair No. 2 and to undertake such other functions tasks as are specified in Section 6 of this Declaration.

2.2 "Articles" shall mean the Articles of Incorporation for the non-profit corporation, Orchard Lair No. 2 Homeowners' Association, or such similar name approved by and filed with the Oregon Corporation Commissioner.

2.3 "Assessments" shall have the meaning ascribed in Section 5.1 herein, and shall include Annual Assessments, Special Assessments, Emergency Assessments and Limited Common Area Assessments.

2.4 "Association" shall mean the Orchard Lair No. 2 Homeowners' Association, its successors and assigns, formed pursuant to Section 4.1.

2.5 "Board" shall mean the Board of Directors of the Association, formed pursuant to Article 4 of the Bylaws.

2.6 "Building Structure" shall mean a building that is comprised of one or more contiguous Homes constructed and located on Lots, including without limitation, garage structures located on Lots, whether attached to or detached from the Building Structure.

2.7 "Bylaws" shall mean and refer to the Bylaws of Orchard Lair No. 2 Homeowner's Association, as they may be amended from time to time, which shall be properly adopted and recorded in the County of Yamhill, Oregon.

2.8 "City" shall mean the City of Newberg, Oregon.

2.9 "Class A Member" shall have the meaning assigned in Section 3.7 of the Bylaws.

2.10 "Class B Member" shall have the meaning assigned in Section 3.7 of the Bylaws.

2.11 "Code" shall mean the Development Code of the City of Newberg, Oregon.

2.12 "Common Area(s)" shall mean and refer to any areas of land shown on the recorded plat of the Real Property, commonly designated as "Tracts", including any improvements thereon, which are intended to be devoted to the common use and enjoyment of the members of the Association, and areas outlined herein as the maintenance responsibility of the Association, unless provided otherwise in this Declaration. The Tracts so designated as Common Areas are Tract E (open space), Tract F (open space), Tract G (limited landscaping), Tract H (landscaping), Tract I (landscaping), Tract J (access easement for the benefit of Lots 56 and 57) and Tract K (open space and limited landscaping). Said Common Areas may include recreational facilities which will be the Association's maintenance responsibility as included in the annual budget. Additional areas may be maintained by the Association where provided for in this Declaration. Additional areas may be designated Common Areas through annexation of additional phases to Orchard Lair No. 2.

2.13 "Common Home Exteriors" shall mean the exterior of each attached Home at the Real Property. Common Home Exteriors shall include the siding, trim, rain gutters, downspouts, rain drain and footing drain systems, roof, roof eaves, and flashing, including garage whether attached or detached to the dwelling unit. Common Home Exteriors do not include the interior landscaping within enclosed courtyards or patios, decks, fencing, or driveways, except as may be spelled out within this Declaration. Also excluded from the definition of Common Home Exteriors are the maintenance responsibilities that rest solely with the Owners of such Lots as defined in this Declaration.

2.14 "Declarant" shall mean Third Street Development, LLC, its successors and assigns, and any Person succeeding to the responsibility of Declarant pursuant to a designation by Third Street Development, LLC or by any successor Declarant of such Person as a successor Declarant in a supplemental declaration recorded in the Yamhill County Records. Declarant shall not refer to any other subsequent purchaser of a Lot or Home.

2.15 "Declaration" or "Restated Declaration" shall mean this Restated Declaration of Covenants, Conditions, and Restrictions for Orchard Lair No. 2, as it may be further amended from time to time.

2.16 "Developer" shall mean any Person engaged in the development of any Lot for the purpose of selling or leasing the Improvements ultimately constructed on such Lot.

2.17 "Director" shall mean a member of the Board, selected or elected in accordance with Section 4.

2.18 "General Common Expenses" shall mean those expenditures made or liabilities incurred by the Association, including reserves. Such definition should also apply to the words, "Common Expenses" as used in this Declaration.

2.19 "General Plan of Development" shall mean the Declarant's general plan of development for the Real Property as approved by appropriate governmental agencies, as may be amended from time to time, including the Real Property and all phases thereof.

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

2.21 "Improvement" shall mean any improvement now or hereafter placed or constructed in, under, or upon the Real Property, including without limitation any building, road, driveway, parking area, fence, screening wall or barrier, retaining wall, stairs, deck, landscaping, and sign. An Improvement shall not be a Home or Dwelling Structure.

2.22 "Lot" or "Parcel" means any of the one hundred and twenty-five (125) parcels of land designated on the Plat as a lot for residential use or any parcel of land designated as a lot for residential use on any replat of the Real Project.

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

2.24 "Members" shall mean and refer to the Owners of Lots in Orchard Lair No. 2 and who are members of the Orchard Lair No. 2 Homeowners' Association.

2.25 "Mortgagee" shall mean the holder of a mortgage on any portion of the Real Property and shall also have the meaning set forth in ORS 86.010 *et. seq.,* and shall include beneficiaries of deeds of trusts and vendors under land sale contracts.

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

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

2.28 "Other Common Areas" means those other parcels, if any, included within the Property which are, from time to time, designated by Declarant (prior to the Turnover Date) or by the Board (after the Turnover Date) as common areas of Orchard Lair No. 2, such as entry monuments and structures and median strips. Such areas may be conveyed to the Association, dedicated to the public, or owned by Persons other than Declarant or the Association and subject to easements in favor of the Association.

2.29 "Parcel" or "Lot" means any of the one hundred and twenty-five (125) parcels of land designated on the Plat as a lot for residential use or any parcel of land designated as a lot for residential use on any replat of the Real Project.

2.30 "Person" means any individual, association, corporation, partnership, or other legal entity.

2.31 "Plat" means the final plat of the Real Property as recorded in the Clackamas County Records and any amendments thereto.

2.32 "President" means the President of the Association, selected in accordance with Section 4.17.

2.33 "Real Property" means the real property in Yamhill County, City of Newberg, Oregon legally described on the Plat as ORCHARD LAIR PHASE 2.

2.34 "Related Entities" shall mean any company, corporation or limited liability company that contains the same principal officers, shareholders or members as the initial Declarant, and include, but are not limited to, Orchard Lair Investment Group, LLC, an Oregon limited liability company, Black Diamond Properties, LLC, an Oregon limited liability company, Lair Properties, LLC, an Oregon limited liability company, and Coyote Homes, Inc., an Oregon corporation.

2.35 "Restated Declaration" or "Declaration" shall mean this Restated Declaration of Covenants, Conditions, and Restrictions for Orchard Lair No. 2, as it may be further amended from time to time.

2.36 "Rules and Regulations" shall mean and refer to the documents containing rules and regulations and policies adopted by the Board of the Association or the Architectural Review Committee ("ARC"), and as may be from time to time amended by the Board and/or ARC.

2.37 "Secretary" means the Secretary of the Association, selected in accordance with Section 4.17.

2.38 "Turnover Date" means the date specified and defined as such in Article 4 of the Bylaws.

2.39 "Turnover Meeting" means the meeting of Declarant and the Board called for the purpose of passing control of the Association from Declarant to the Owners, which meeting shall be held pursuant to Article 4 of the Bylaws.

SECTION 3. OWNERSHIP AND EASEMENTS

3.1 Non-Severability. The intent of each Owner in the use and benefit of the Common Area shall be appurtenant to the Lot owned by the Owner. No Lot shall be conveyed by the Owner separately from the interest in the Common Area, subject to the provisions of Section 3.3. Any conveyance of any Lot shall automatically transfer the right to use the Common Area without the necessity of express reference in the instrument of conveyance. There shall be no judicial partition of the Common Area. Each Owner, whether by deed, gift, devise or operation of law, for his/her own benefit and for the benefit of all other Owners, specifically waives and abandons all rights, interests and causes of action for judicial partition of any interest in the Common Area and does further agree that no action for judicial partition shall be instituted, prosecuted or reduced to judgment. The ownership interest in the Common Area and Lots described in this Article are subject to the easements granted and reserved in this Declaration or the Plat for drainage, needed maintenance support and maintenance of the exterior appearance of the Building Structures. Each of the easements reserved or granted herein shall be deemed to be

established upon the recordation of the Initial CC&Rs on September 27, 2007, and shall forever be deemed to be covenants running with the land for the use and benefit of the Owners and their Lots and shall be superior to all other encumbrances applied against or in favor of any portion of Orchard Lair No. 2.

3.2 Ownership of Lots. Title to each Lot in Orchard Lair No. 2 shall be conveyed in fee to an Owner. If more than one person and/or entity owns an undivided interest in the same Lot, such person and/or entities shall constitute one Owner.

3.3 Ownership of Common Areas. Title to the Common Areas, if any, shall be conveyed to the Association by Declarant not later than the Turnover Date, subject to all limitations and conditions of approval imposed on such space by the City. The Board of Directors may convey title to any present or future Common Area Tracts, if any, to a City, County or other Government agency. The Association, with the approval of sixty percent (60%) of the Association membership, may sell, convey or mortgage the Common Area.

3.4 Airport Noise Disclosure Statement. All Real Property, now or hereafter encumbered by this Declaration is now and shall, upon annexation hereunder, become subject to this Disclosure for Airport Noise. All Owners and occupants of the Real Property encumbered by this Declaration or any supplements recorded pursuant to this Declaration shall be bound by this Disclosure that the proximity of the Real Property to the airport right-of-way and runways and places the Real Property in a noise impacted area. Present and future noise impact created by airplanes and similar craft utilizing the runways and airport right-of-way might interfere with the unrestricted use of the Real Property or some portions thereof. The noise impact created by airplanes and similar craft using this airport may increase or decrease over time by virtue of changes in the number of airplanes and similar craft using the airport, season and weather-related variations in the use of the airport, changes in the functions of those runways, or changes in federal, state or local laws, ordinances and/or regulations affecting the runway and its operations.

All Owners and future purchasers of any part of the Real Property shall be deemed to have acknowledged the pre-existence of the above described airport and runways and the potential noise impact by the recording of this Declaration, to which all of the Real Property is subject.

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

(a) Easements on Plat. The Common Area and Lots are subject to the easements and rights-of-way shown, or noted, on the plat of Orchard Lair No. 2. These may include easements for public pedestrian and bicycle access, sanitary sewer easements, storm drainage, access and public utility easements. The Ingress/egress, utility, drainage, and sidewalk easements are set forth on the Plat of Orchard Lair Phase 2.

(b) Easements for Common Area. Every Owner shall have a non-exclusive right and easement of use and enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot.

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

(d) Additional Easement. Notwithstanding anything expressed or implied to the contrary, this Declaration shall be subject to all easements granted by Declarant for the installation and maintenance of utilities and drainage facilities necessary for the development of Orchard Lair No. 2. No structure, planting or other material shall be placed or permitted to remain within any easement area which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements thereon shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority, utility company or the Association is responsible. In addition, an easement is specifically reserved to the Owners of any contiguous Home in each structure, and the Association, as their interests may exist, for access to, and right of repair or service to utility and/or drainage lines and facilities which exist on each Lot for common use of Owners in said structure.

(e) Association's Easements. There are hereby reserved to the Association and its duly authorized agents and representatives such easements as are necessary to perform the duties and obligations of the Association set forth in this Declaration, the Bylaws and Articles for the maintenance of the drainage and needed support for the structures, and any exterior maintenance of the Building Structures as described in this Declaration.

(f) Easement to Governmental Entities. There is hereby reserved and granted a non-exclusive easement over the Common Area to all governmental and quasi-governmental entities, agencies, utilities, and their agents for the purposes of performing their duties within Orchard Lair No. 2. However, where applicable, the Association may be subject to compensation for the taking or use of such easement rights.

(g) Drainage Lines. The Association shall maintain the drainage lines for gutters and downspouts from the Homes to the point of intersection with the publicly owned storm drain facility. The Association hereby reserves a maintenance easement for said drainage lines pursuant to sections 3.5(e) and 3.5(j) as set forth in this Declaration.

(h) Maintenance Easement. An easement is hereby reserved in favor of the Association and its successors and assigns, contractors, agents and employees over, across, and under each Lot, the exterior portions of the dwelling units on each Lot, the Common Areas, the landscaped areas, the planter strips and any other areas of the Real Property necessary or appropriate for the purposes of accomplishing the maintenance, repair, and replacement of Improvements.

(i) Utility Easements. The Association shall have the right to grant nonexclusive easements and rights of way over the Public Open Space and Common Areas for the purpose of installing, maintaining, repairing, and replacing public utility lines, services, and facilities reasonably necessary to serve any of the Real Property.

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

(k) Lots 20, 21, 39, 52, 53, 66, 76, 77, 84, 85, 92, 93, 105 through 107, 115, 120 and 123 have varying sized Homeowner Association maintained landscape easements on them as set forth on the Plat of Orchard Lair Phase 2 that will require the individual Lot Owner's home water meters to provide the water to irrigate the Lots. In order to compensate these Lot Owners, Lots 20 and 106 shall have the annual HOA Assessments reduced by $20 per year; Lots 39, 52, 53, 66, 77, 84, 85, 92, 93, 105, 115 & 120 shall have their annual HOA Assessments reduced by $40 per year; Lots 21, 107 and 123 shall have their annual HOA Assessments reduced by $60 per year; and Lot 76 shall have its annual HOA Assessments reduced by $80 per year.

SECTION 4. ORCHARD LAIR NO. 2 HOMEOWNERS' ASSOCIATION

4.1 Formation and Authority. The Association was formed by Declarant as an Oregon nonprofit corporation within one hundred eighty (180) days after the date the Initial CC&Rs were recorded, and shall be known as the Orchard Lair No. 2 Homeowners' Association.

4.2 Membership. Each Owner, by virtue of being an Owner and so long as such Owner continues in that capacity, shall be a member of the Association. Each membership in the Association shall be appurtenant to the Lot or other portion of the Real Property owned by an Owner and shall not be transferred in any manner whatsoever except upon a transfer of title to such Lot or other portion of the Real Property and then only to the transferee of such title.

4.3 Proxy. Each Owner may cast his/her vote in person, pursuant to a proxy executed by the Owner, or by written ballot, as provided by ORS 94.647. An Owner may not revoke a proxy given pursuant to this section except by actual notice or revocation to the person presiding over a meeting of the Association. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one (1) year after its date, unless the proxy specifies a shorter term.

4.4 Procedure. All meetings of the Association, the Board of Directors, the ARC, and Association committees shall be conducted with such rules of order as may from time to time be adopted by the Board of Directors. If the Board of Directors does not adopt any rules, then Roberts' Rules of Order shall be the applicable rules of order. Notwithstanding which rule of order is adopted, the chairman shall be entitled to vote on all matters, not merely to break a tie vote. A tie vote does not constitute a majority or approval of any motion or resolution.

4.5 Contracts Entered Into by Declarant or Before Turnover Meeting. Notwithstanding any other provisions of this Declaration, any management contracts, service contracts or employment contracts entered into by Declarant or the Board of Directors on behalf of the Association before the Turnover Meeting shall have a term of not more than three (3) years. In addition, any such contract shall provide that it may be terminated without cause or penalty by the Association or Board of Directors upon not less than thirty (30) days' notice to the other party given not later than sixty (60) days after the Turnover Meeting.

4.6 Duties and Powers of the Association. The Association shall have all requisite power, duty, and authority to perform its obligations under this Declaration, including without limitation the power, duty and authority to enforce the provisions of this Declaration and to acquire and pay for, out of the common fund provided by assessments pursuant to Section 5, all goods and services necessary or appropriate for the proper functioning of the Association in accordance with this Declaration. Without limiting the generality of the foregoing or the other provisions of this Declaration, the Association shall have the power, duty, and authority, subject to the other provisions of this Declaration, to undertake the following actions:

4.6.1 Determine the amounts necessary or appropriate for the performance by the Association of its powers and duties under this Declaration.

4.6.2 Impose and collect annual and special assessments from the Owners.

4.6.3 Maintain bank accounts on behalf of the Association and designate the signatories for those accounts.

4.6.4 File all required income tax returns.

4.6.5 Enforce by legal means the provisions of this Declaration.

4.6.6 Maintain and repair the Common Areas, and the Improvements thereon and establish one or more reserve funds for such purposes.

4.6.7 Promulgate, modify, and rescind rules and regulations governing the use of the Common Areas, and all Improvements on the foregoing, as well as the Property generally.

4.6.8 Obtain such policies of insurance as the Board may from time to time deem appropriate for the protection of the Association, the Common Areas, and the Improvements thereon, and as may be authorized pursuant to Section 5.1.2.

4.6.9 Compensate the President, the Secretary, and members of the Architectural Review Committee, if any compensation is established pursuant to 6.1 of this Restated Declaration or Articles 4 or 5 of the Bylaws.

4.6.10 Contract for such services (including without limitation legal and accounting services) as may be necessary or appropriate to manage the affairs of Orchard Lair No. 2 and the Association properly and in accordance with this Restated Declaration, whether the personnel performing such services are employed directly by the Association or by a manager or management firm or agent retained by the Association.

4.6.11 Appoint such committees as the Board may determine from time to time to be appropriate to assist in the conduct of the affairs of the Association and delegate to any such committee such authority as the Board may deem appropriate, subject in all cases to the provisions of the Declaration. Notwithstanding the foregoing provisions of this Section 4.6.11, the Architectural Review Committee shall in all events be formed as provided in and shall have the authority granted by Section 6 and other applicable provisions of this Restated Declaration.

4.7 Board of Directors. The terms and provisions regarding the Board of Directors are contained in Articles 4 and 5 of the Bylaws, and by this reference are incorporated herein as though set forth in full.

4.8 Insurance. The Board may purchase and maintain insurance on behalf of any Director against any liability incurred by such Director in such capacity, if such insurance is available at a cost and on terms which the Board determines to be reasonable.

4.9 Execution of Instruments. All agreements, contracts, deeds, leases, and other instruments of the Association shall be executed by such individuals as may be designated from time to time by the Board.

4.10 Indemnification. Neither a Director nor an officer of the Association shall be liable to the Association or the Owners for any mistake of judgment, negligence, or otherwise, except for such Director's or officer's willful misconduct or bad faith. Each Director and officer shall be indemnified by the Association against all expenses and liabilities, including reasonable

attorneys, fees, incurred by or imposed upon such Director or officer in such capacity; provided, however, there shall be no indemnity if such Director or officer is adjudged guilty of willful misconduct or bad faith in connection with the matter as to which indemnification is sought.

SECTION 5. FUNDS AND ASSESSMENTS

5.1 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and Occupants, and for the improvement, operation and maintenance of the Common Areas, including maintenance and administrative costs, and insurance for the Association, including, but not limited to, a community high-speed internet access provider (if a "server/vendor" should be granted a contract for the entire Property). As used herein, the term "Assessments" shall include Annual Assessments, Special Assessments, Emergency Assessments and Limited Common Area Assessments as those terms are defined herein.

5.1.1 Common Expense Designations. Common Expenses of the nature described in Section 5.1 which are to be, or are, incurred by the Association for the benefit of all of the Owners of Lots within the Real Property shall be separately budgeted for allocation among all of such Owners and shall be designated "General Common Expenses."

5.1.2 Insurance By the Association. The Board shall obtain, and maintain in effect, from reputable insurance companies authorized to do business in the State of Oregon, public liability insurance with respect to all of the Common Area in such amounts and in such forms as the Board deems advisable to provide adequate protection for bodily injury, including deaths of persons, and property damage, whether caused by the negligence of the Association or otherwise; provided, however, that such policy(ies) shall not be for an amount less than $1,000,000.00 per person, per occurrence, and that such policy(ies) shall provide the coverage there under cannot be canceled or substantially modified without at least 10 days written notice to the Association. All Owners are solely responsible for obtaining fire and casualty insurance for their Building Structures. The Association may obtain such other and further policies of insurance as it deems advisable. The named insured on the policy may read Orchard Lair No. 2 Homeowners' Association. The casualty insurance to be obtained by the Association pursuant to this paragraph 5.1.2 shall include the following terms, if the Board determines that they are reasonably available:

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

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

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

(iv) A provision that policy that may be canceled, invalidated, or suspended because of the conduct of any director, officer, or employee of the Association unless the insurer gives the Association a prior written demand the Association correct the defect and allows the Association a reasonable time to make the correction; and

(v) A provision that any "other insurance" clause in any policy shall exclude from its coverage all owners' policies.

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

5.1.3 Insurance by the Owners. The insurance described in paragraph 5.1.2 above does not provide personal liability coverage for the Owners, nor fire or extended coverage casualty insurance for the Owners' personal property, the inside surfaces of the Building Structure, and all other improvements including, but not limited to, appliances, heaters and air conditioners, cabinets, flooring, wall and window coverings, light fixtures and personal property nor the Lot or land on which the Building Structure resides. Further, no insurance coverage for fire extended casualty insurance of the Building Structures is provided by the Association. The responsibility for obtaining insurance that covers at least these items rests solely with the individual Owners, except as otherwise noted herein.

5.2 Basis of Assessments and Commencement of Assessments. Except as otherwise provided herein, Assessments are to be levied against all Lots, except those owned by Declarant, whether or not such Lots have been improved with a substantially completed Home. Provided, however, that no Assessment shall be levied against any Lot until such time as it is first sold to a purchaser other than Declarant or Declarant's assignee. Assessments for all Lots conveyed by the Declarant to purchaser/Owner, either by deed or land sales contract, shall begin on the day of the recording of the deed or land sale contract conveying or contracting to convey the Lot of the new Owner. In accordance with ORS 94.704(1), Declarant shall pay all common expenses of the Association that exceed the operating expenses received from non-Declarant Owners, exclusive or the reserve assessments. As of the first of the month following the date of the Turnover Meeting, all Declarant Lots will pay operating and reserve assessments under the payment provisions contained in this Restated Declaration.

5.3 Annual Assessments. Subject to the requirements set forth in this Section 5, the Association shall have the authority to levy annual assessments to pay all expenses associated with the Association's performance of its powers, duties, and responsibilities under this Declaration, as well as to pay all property taxes, lighting, insurance, maintenance, and other expenses incurred with respect to the Common Areas, and the Improvements thereon. The Association shall bill each Owner for such Owner's share of the assessments (determined in accordance with this Section 5) on

an annual, quarterly, or monthly basis, as the Board may determine. Each Owner shall pay any such assessment within thirty (30) days after the date of billing.

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

5.4 Special Assessments. In addition to the Annual Assessments, the Board may also levy during any fiscal year a Special Assessment ("Special Assessment"), applicable to that fiscal year only, for the purpose of deferring all or any part of the cost of any construction or reconstruction, unexpected repair, or acquisition or replacement of a described capital improvement, or for any other one-time expenditure not to be paid out of Annual Assessments. Special Assessments for acquisition or construction of new capital improvements or additions which in the aggregate in any fiscal year exceed an amount equal to fifteen percent (15%) of the budgeted gross expenses for the Association for the affected fiscal year may be levied only if approved by a majority of the Owners with voting rights voting on such matter, together with the written consent of the Class B Member, if any. Prior to the Turnover Meeting, any Special Assessment for acquisition or construction of new capital improvements or additions must be approved by not less than fifty percent (50%) of the Class A Member voting rights together with the written consent of the Class B Member. Special Assessments shall be apportioned as provided in Section 5.7 below and may be payable in a lump sum payment or in installments, without or without interest or discount, as determined by the Board of Directors.

5.5 Emergency Assessments. If the Annual Assessments levied at any time are or will become inadequate to meet all expenses incurred under this Restated Declaration for any reason, including nonpayment of Owner's Assessments on a current basis, the Board of Directors shall immediately determine the approximate amount of such inadequacy and issue a supplemental budget, noting the reason therefore, and levy an Emergency Assessment for the amount required to meet all such expenses on a current basis ("Emergency Assessment"). Emergency Assessments

shall be apportioned as provided in Section 5.7 below, and payable as determined by the Board of Directors.

5.6 Limited Common Area Assessments. Annual Assessments, Special Assessments and Emergency Assessments relating to maintenance, upkeep, repair, replacement of improvement to the Limited Common Areas ("Limited Common Area Assessments") shall be assessed exclusively and on an equal, pro-rata basis only to each Lot having a right to use a Limited Common Area.

5.7 Apportionment of Assessment. Lots shall not be subject to Annual Assessments, Special Assessments, Emergency Assessments or Limited Common Area Assessments until the sale of a Lot to an Owner other than the Declarant or a Related Entity. At such time that a Lot is sold to an Owner other then the Declarant or a Related Entity, each Lot shall become subject to Annual Assessments, Special Assessments, Emergency Assessments or Limited Common Area Assessments. All Lots subject to an Assessment shall pay an equal, pro-rata share of the Annual Assessments, Special Assessments, Emergency Assessments or Limited Common Area Assessments. Declarant or any Related Entity may elect to delay the collection of Annual Assessments against all Lots, but in such case the Declarant or any Related Entity may be responsible for the payment of any Association costs in excess of those funds collected by the Association. No Owner may claim exemption from liability for contribution towards common expenses and Assessments by the Owner's waiver of use or enjoyment of the Common Areas or by the Owner's abandonment of the Owner's Lot. An Owner may not claim an offset against an Assessment for failure of the Association to perform its obligations, and no Owner may offset amounts owing or claimed to be owing by the Association or Declarant to the Owner. Declarant and any Related Entity, however, may defer that portion of the Annual Assessment attributable to the accrued reserve assessment from the time a Lot becomes subject to assessment until the date the Lot is conveyed, but not beyond the date of the Turnover Meeting, or, if no Turnover Meeting is held, the Declarant or a Related Entity transfers administrative control of the Association to the Owners. At such time, the books and records of the Association shall reflect the amount owing from the Declarant for accrued, unpaid reserve Assessments. Lots may be excluded from monthly Assessments until a Home or Improvement upon the Lot is deemed substantially complete.

5.8 Allocation to Lots. The Annual Assessment levied pursuant to Section 5.3 with respect to any calendar year shall be allocated to the Lots and shall be allocated among such Lots pro rata based on the total number of Lots; provided, however, that Declarant shall not be liable and no unsold Lots owned by Declarant shall be subject to any lien for assessments until conveyance of such Lot(s) by Declarant to a third person.

5.9 Creation of Reserve Account. The Association may, at its own election, choose to establish a reserve account for replacement of all items of common property. If the Association elects to establish a reserve account, the items of common property that require would the creation of the reserve account are all items of common property of the Association, as determined by the Board, that will normally require replacement in more than three (3) and less than thirty (30) years.

Such reserve account shall be funded by assessments against the individual Lots assessed for maintenance of the items for which such reserve account is being established. The assessment against each Lot for this reserve account shall accrue from the date that the Association elects to establish a reserve account, only if the Association elects to establish a reserve account. The Declarant is not required to establish or maintain a reserve account, prepare a reserve study or a maintenance plan pursuant to ORS 94.570(2).

5.10 Records of Assessments. The Association shall maintain records of assessments, of any other income received by the Association, and of all disbursements made. The Board may at any time and from time to time require that an audit of the Association's records be performed at the expense of the Association. The results of any such audit may be presented at any meeting of the Board. Any Director may, at the Association's expense and at any reasonable time, copy any Association records reasonably necessary to the performance of such Director's duties. Any Owner shall have the right to inspect Association records at any reasonable time, after reasonable notice to the Secretary. Any Owner may copy Association records at such Owner's expense.

5.11 Enforcement. In the event that any assessment, or any expense due pursuant hereto is not paid within thirty (30) days after the date of billing, the unpaid amount shall thereafter bear interest from the date first due until paid in full at a rate per annum equal to three (3) percentage points in excess of the announced prime rate of U.S. National Bank of Oregon (or, if such bank ceases to exist or announce a prime rate, Wells Fargo Bank of Oregon) in effect on the date payment was first due. In addition to all other rights and remedies available by law or provided herein, the Association shall also be entitled (i) to impose a late charge with respect to any such unpaid amount equal to ten (10%) percent thereof, to reimburse the Association for its administrative and other expenses incurred as a result of the Owner's failure to pay the assessment or expense when due; and (ii) upon fifteen (15) days prior written notice to the Owner owing such assessment or expense, to impose a lien against such Owner's Lot in the amount of the assessment or expense, plus collection costs (including reasonable attorneys' fees), plus interest and late charges as provided in this Section 5.11. Any such lien shall also secure any additional amounts thereafter coming due from the Owner of the Lot in question. Subject to the provisions of Section 5.13, any such lien shall bind and run with the Lot in question until paid in full. The Association may initiate an action to foreclose any such lien in any manner provided by law. In any action to foreclose any such lien, any judgment rendered against the Owner of the Lot in question and in favor of the Association shall include such amount as the court may adjudge reasonable as attorneys, fees and costs and expenses reasonably incurred in the preparation for and the prosecution of such action, at trial and on any appeal, in addition to all other amounts provided by law.

5.12 Personal Obligation. Each assessment or charge levied pursuant to the provisions of this Declaration shall be a separate and personal obligation of the Owner of the Lot against which the assessment or charge is levied. The sale, transfer, or conveyance of a Lot shall neither release nor discharge the Owner thereof from such personal liability, nor shall such a sale, transfer, or conveyance extinguish any lien placed on such Lot.

5.13 Subordination. Notwithstanding any other provision of this Declaration, any lien imposed on a Lot under this Section 5 shall be and remain at all times inferior, junior, and subordinate to the lien of any first mortgage or deed of trust encumbering such Lot. Without limiting the generality of the foregoing, the sale or transfer of any Lot under a decree of foreclosure pursuant to any such first mortgage or deed of trust, or proceeding in lieu of foreclosure, shall extinguish any lien imposed on such Lot hereunder prior to the date of sale or transfer. Upon twenty (20) days prior written request, the Association shall execute and deliver such reasonable documentation as any Lot Owner may request to confirm or evidence the provisions of this Section 5.13.

SECTION 6. ARCHITECTURAL AND DESIGN CONTROL

6.1 Establishment of the Architectural Review Committee. On or prior to the Turnover Date, the Architectural Review Committee ("ARC") shall be established to review and approve or disapprove plans, specifications, design, construction, and alterations of all Improvements built within Orchard Lair No. 2. Prior to the Turnover Date, the ARC shall consist solely of the Declarant. After the Turnover Date, the ARC shall consist of new fewer than three (3) Members and no more than five (5) Members. The Members of the ARC need not be Owners, shall serve one-year terms (subject to being reappointed by the Board), unless such term shall be lengthened by the Board at the time of appointment or unless the Board served as the ARC, in which event the terms of the ARC Members shall be the same as their terms as Board members. ARC Members shall be compensated by the Association in such amount, if any, as may be determined from time to time by the Board. Until such time as the ARC is established, Declarant shall have full power and authority to act as the ARC in accordance with the provisions of this Section 6.

6.1.1 Power to Act. Except as otherwise provided in this Restated Declaration, a majority of the Members of the ARC shall the power and authority to act on behalf of the full ARC, without the necessity of a meeting and without the necessity of consulting the remaining Members of the ARC. The ARC shall render is decisions on all matters brought before it only by written instrument setting forth the decision(s) and action(s) taken by the Members consenting thereto.

6.2 Architectural and Design Review

6.2.1 Generally. No Improvement of any kind shall be commenced, erected, placed, or altered on any portion of the Real Property or on any Lot unless such Improvement is in conformance with this Restate Declaration and this Section 6.2 and until plans and specifications showing the nature, kind, shape, height, material, color, and location of such Improvement are submitted to and approved by the ARC pursuant to the provisions of Section 6.3. All such Improvements shall be erected and altered in conformance with all applicable governmental laws, ordinances, rules, and regulations and with the requirements set forth in this Section 6.2. To the extent applicable governmental laws, ordinances, rules, and regulations are in conflict with such requirements, the more restrictive standards shall control.

6.2.2 Design Guidelines. The ARC shall have the authority to promulgate and issue, and thereafter to amend from time to time, design guidelines supplementing, interpreting, and not inconsistent with those set forth in this Section 6.2. Such guidelines shall be supplied in writing to all Owners, shall be fully binding upon all Owners as if set forth in this Restated Declaration, and shall be applied by the ARC in reviewing and approving or denying proposed Improvements. Without limiting the generality of the foregoing, the ARC shall have the authority to include in any such guidelines, among such other provisions as the ARC may deem appropriate, height restrictions with respect to Improvements to be constructed on the Real Property or any portion thereof, requirements and restrictions with respect to exterior lighting in addition to those set forth in this Restated Declaration, requirements regarding parking and landscaping in addition to those set forth in this Restated Declaration, and requirements to be met in connection with construction activities on the Property or any portion thereof. Any requirements or restrictions set forth in the design guidelines need not relate to all components of Orchard Lair No. 2, if the ARC determines that only certain portions of the Property should be affected.

6.2.3 Exterior Finish. The exterior of the Improvements and Homes on all Lots, including without limitation the roof, materials, and color thereof, shall be subject to the approval or disapproval of the ARC and shall be designed, built, and maintained so as to be compatible with the natural surroundings, existing structures, and landscaping within Orchard Lair No. 2. In no event shall T1-11 be permitted to be used on the exterior of any Home or Improvement. Exterior trim, doors, railings, decks, eaves, and gutters, and the exterior finish of garages and other accessory buildings shall be designed, built, and maintained so as to be compatible with the exterior of the structure they are part of or adjoin.

6.2.4 Exterior Lights. Any exterior lighting which is visible from any Lot or street shall be compatible with its surroundings and approved by the ARC prior to installation.

6.2.5 Fences. All fences and all fence finishes shall be approved by the ARC prior to installation. All approved fences shall be well-constructed of suitable fencing materials, shall be finished on both sides by the Person constructing the fence, shall not detract from the appearance of any nearby building, and shall not exceed six (6) feet in height from the finished Lot grade. Cyclone fences will not be allowed other than commercially-available pet enclosures, which must be screened from view and approved by the ARC.

6.2.6 Hedges, etc. Hedges or other solid-screened plantings may be used as lot line barriers provided that they do not exceed six (6) feet in height from the finished Lot grade and are otherwise approved by the ARC.

6.2.7 Tree Removal. No trees with a diameter of six inches or more, measured at a height of five (5) feet above ground level, may be removed from any Lot without the prior approval of the ARC. Each Owner shall supply to the ARC together with the plans and specifications for

any proposed Improvement a drawing showing the intended location of such Improvement on such Owner's Lot and of all trees thereon, so that necessary tree removal can be readily determined.

6.2.8 Service Facilities. Clothes lines, waste facilities, storage facilities, and other service facilities shall be screened so as not to be visible from the street or any adjacent property.

6.2.9 Utilities and Equipment. All utility lines shall be underground. Pad-mounted transformers, switch-gears, and similar equipment which must be installed above ground and all service equipment such as meters, generators, mechanical duct work, piping, and HVAC equipment shall be screened with suitable landscaping or walls of design and material compatible with those of the adjacent buildings.

6.3 Design Review Procedure

6.3.1 Submission of Plans. Prior to the commencement, erection, placement, or alteration of any Improvement on any Lot, the Owner desiring to commence, erect, place, or alter such Improvement shall submit plans and specifications to the ARC in accordance with such procedures as the ARC may establish from time to time. All plans and specifications shall conform to any specific requirements set forth in the design guidelines promulgated pursuant to Section 6.2.2 and shall provide sufficient detail to enable the ARC to determine whether the proposed Improvement is in conformance with the applicable requirements set forth in this Section 6 and in such design guidelines. Such plans and specifications shall be accompanied by the Owner's payment of such reasonable fee as may be fixed by the Board from time to time to cover costs of the design review process. The Owner shall also supply any additional information reasonably requested by any member of the ARC. The ARC shall review the information and plans submitted and shall, within twenty (20) days after submission of all information requested by any member of the ARC, notify the Owner in writing of its approval or disapproval of the proposed Improvement. If the ARC fails to give notice of its decision within sixty (60) days after submission of all information requested by any member of the ARC, then the proposed Improvement shall be conclusively presumed to be approved as submitted.

6.3.2 Approval. The ARC may approve a proposed Improvement as submitted or may impose specific conditions which must be met before approval will be granted. A decision by a majority of the members of the ARC shall constitute a decision of the full ARC. Approval by the ARC does not imply or constitute any necessary or requisite governmental approval, which approval is the sole responsibility of the Owner.

6.3.3 Commencement of Work. As soon as practicable after the receipt of approval by the ARC, if the Owner elects to proceed with the Improvement, but in no event later than eighteen (18) months from the date on which such Owner acquires title to such Owner's Lot, the Owner shall satisfy any and all conditions of such approval, shall secure all necessary governmental permits and approvals, and shall commence construction of the approved

Improvement. The ARC 's approval of any proposed Improvement shall automatically be deemed revoked one hundred eighty (180) days after issuance unless construction of the Improvement has commenced or the Owner has applied for and received an extension of time from the ARC.

6.3.4 Completion of Work. Any approved Improvement shall be completed within three hundred sixty (360) days after the date of commencement of construction; provided, however, that if the construction of any approved Improvement is delayed by causes beyond the reasonable control of the Person constructing such Improvement, the period within which construction must be completed shall be extended by the number of days construction is so delayed. In all cases, landscaping shall be completed within ninety (90) days after substantial completion of associated Improvements. Promptly after completion of any Improvement, the Owner shall give written notice of completion to the ARC. Within thirty (30) days after the effective date of such notice or at any time that the ARC has reason to believe that an Improvement has been completed, the ARC shall inspect the completed Improvement and give written notice to the Owner of any respects in which the completed Improvement fails to conform to the plans therefore as approved by the ARC. The ARC shall specify in any such notice a reasonable period, which shall be not less than thirty (30) days, during which the Owner may remedy the nonconformance. If the ARC fails to give a notice of nonconformance within thirty (30) days after the effective date of a notice of completion, the Improvement shall be conclusively presumed to be approved as completed.

6.3.5 Failure to Act. If at any time the ARC fails for any reason to perform its responsibilities under this Section 6, the Board shall have complete authority to serve as a temporary ARC

6.3.6 Architectural Review Committee Discretion. The ARC, in its sole discretion, may withhold approval of any proposed Improvement if the ARC finds that the proposed Improvement would be inconsistent with the provisions of Section 7 or would be incompatible with the design standards for Orchard Lair No. 2 as set forth in this Section 6 and in the design guidelines promulgated pursuant to Section 6.2.2 and Section 6.2.3. Considerations such as siting, shape, size, color, design, height, impairment of the view from other parts of the Property, solar access, and other effects on the enjoyment of other parts of the Property, as well as any other factors which the ARC believes to be relevant, may be taken into account by the ARC in determining whether or not to approve any proposed Improvement. The ARC, in its sole discretion, may, upon application, waive any provision of this Section 6 if it finds that the application of such provision results in unnecessary hardship to the affected Owner and that strict application is not necessary for the furtherance of the objective to create an attractive development.

6.3.7 Appeal. Any time after the Declarant has delegated appointment of the members of the ARC to the Board of Directors or a separate ARC, any Owner negatively or adversely affected by a decision or action of the ARC may appeal such decision or action to the Board of Directors. Such appeal shall be made in writing addressed to the President and/or the Secretary of the Board of Directors, and must be delivered within ten (10) days after the date of the ARC written decision in the matter, and shall contain specific objections or mitigating

circumstances justifying the basis for appeal. If the Board of Directors is also acting as the ARC, then such appeal shall be treated as a request for a rehearing, and in such case the Board of Directors shall actually meet and receive evidence and testimony. A final, conclusive decision shall be made with regard to the appeal within thirty (30) days after receipt of the written request for appeal. The determination of the Board of Directors shall be final.

6.3.8 No Liability. Neither the ARC, nor any member thereof, nor the Association shall be liable to any Owner, Occupant, Developer, or other Person for any damage or loss suffered or claimed as a result of any action or failure to act on the part of the ARC or any member thereof, so long as the ARC or such member has acted in good faith based on actual knowledge.

6.3.9 Nonwaiver. Approval or disapproval by the ARC of any matter proposed to it or within its jurisdiction shall not constitute a precedent or waiver or impair in any manner whatsoever the right of the ARC to grant or withhold approval as to any similar matter thereafter proposed or submitted to it for approval.

6.3.10 Estoppel Certificate. Within ten (10) business days after receipt of a written request from any Owner, the ARC shall provide such Owner with an estoppel certificate executed by a member thereof, certifying with respect to the Lot(s) owned by such Owner that, as of the date of the certificate, either (i) all Improvements on such Lot(s) comply with this Declaration, or (ii) such Improvements do not so comply, in which event the certificate shall also identify the noncomplying Improvements and state with reasonable particularity the nature of such noncompliance. Any purchaser from an Owner, and any mortgagee or other encumbrancer, shall be entitled to rely upon any such certificate as to the matters set forth herein, such matters being conclusive among Declarant, the ARC, the Association, all Owners, and such purchaser, mortgagee, or other encumbrancer.

6.4 Architectural Review Committee Inspections.

The ARC shall, from time to time, inspect all work performed with regard to an Improvement and determine if such work is in substantial compliance and conformance with the approval granted. If the ARC determines that the work was not performed in substantial compliance and conformance with the approval granted, or if the ARC determines that any necessary approval was not obtained by the Owner, the ARC shall notify the Owner in writing of the noncompliance. Such notice of noncompliance shall specify the particular circumstances of any noncompliance and shall require the Owner to immediately take all necessary action to bring the work into compliance and conformance with the approved project.

6.5 Failure to Comply.

If the ARC determines that an Owner has not constructed an Improvement consistent with the specifications on which such approval is based or if such Improvement is constructed without

prior ARC approval or contrary to the requirements of this Restated Declaration, and if such 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 expiration of the fifth (5th) day from the date of such notice of noncompliance, the ARC shall schedule a hearing to consider the Owner's continuing noncompliance, and the ARC shall serve notice of such hearing on the Owner by First Class Mail. The hearing shall be set no more than thirty (30) days from the date of the notice of noncompliance. The ARC and the affected Owner shall be able to submit written evidence and oral testimony at the hearing. At the hearing, if the ARC determines that there is no valid reason for the continuing noncompliance, the ARC shall determine the costs of correcting the noncompliance. The ARC shall then require the Owner to remedy or remove the noncompliance within a period of not more than ten (10) days from the date of the ARC determination following the hearing. If the Owner does not comply with the ARC ruling within such ten (10) day period, or within any extension of such period as the ARC, in its sole discretion may grant, the Association may: (a) remove the non-complying Improvement and charge all costs to the Owner; (b) remedy the noncompliance and charge all costs to the Owner; and (c) fine the Owner and lien the affected Lot or Lots for all costs incurred by the Association, including all attorneys fees and costs expended and incurred by the ARC and the Association to enforce compliance before suit or other action is filed and all attorneys fees and costs expended by the ARC and the Association in arbitration, mediation and/or litigation, including any appeals or reviews there from.

SECTION 7. PROPERTY USE AND RESTRICTIONS

7.1 Improvements Permitted. No Improvement shall be erected or permitted to remain on any Lot except Improvements consisting of or containing one Home and Improvements normally accessory thereto. No mobile home or pre-fabricated home shall be erected or permitted to remain on any Lot. The provisions of this Section 7.1 shall not be construed to prohibit construction of a private greenhouse, storage unit, private swimming pool, or structure for the storage of a boat, camping trailer, and/or recreational vehicle, so long as any such Improvement has been approved by the ARC and is otherwise in conformance with this Declaration and applicable governmental requirements. Homes on all Lots shall have at least One Thousand (1000) square feet of finished living space, but not including any attached garage area or open porches. No Home or Improvement shall exceed two (2) stories in height. Homes on all Lots shall have an attached private garage of sufficient size to store a minimum of one (1) vehicle, as long as off-street parking as available. If there is no off-street parking available, then such Home shall have an attached private garage of sufficient size to store a minimum of two (2) vehicles. The ARC shall have the right to approve such deviations from the foregoing size restrictions as it deems appropriate.

7.1.1 Lot 33 is exempt from these requirements on Property Restrictions, as the dwelling and improvements located on Lot 33 existed and were completed prior to the recording of the Plat and the Initial CC&Rs.

7.1.2 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 private 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 Home that is constructed on said Lot and are approved by the ARC.

7.1.3 The completion of construction of any Home or Improvement including exterior decoration shall occur within six (6) months from the date of initial commencement of the construction of the Home or Improvement. During this period of construction time, the following shall occur:

(a). All Lots shall be kept in a neat and orderly condition, free of brushes, vines, weeds and other debris.

(b). All grass on the Lot shall be cut or mowed at sufficient regular intervals to prevent the creation of a nuisance or fire hazard.

(c). All contractors and builders shall keep the 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 the Declarant's designee for a reasonable period of time.

7.1.4 Setbacks. Minimum setbacks on all Lots in Orchard Lair No. 2 shall be governed by the applicable City of Newberg development and airport overlay ordinances; provided, however, that the following Lots are governed by special setback requirements which were a specific term and condition of approval by the City of Newberg associated with the approval of Orchard Lair Phase 2:

Minimum requirements for all lots are established in the current City of Newberg code section § 151.449.6b for density transfer within the ARO Sub-District.

"*The following dimensional requirements shall be applicable in the R-2 District in order to accommodate the density transfer provision of this Section; front yard setback – 10-feet; Garage front yard setback – 18-feet; interior yard setback – 3-feet; Non-alley rear yard setback – 5-feet; Alley rear yard setback – 3-feet. Maximum lot depth to lot width ratio is 3:1. The minimum lot width shall be 28-feet." Roof overhangs may not encroach in the setbacks.*

7.1.5 Rain gutters and downspouts. The roof rain gutters and downspouts for any Homes or Improvements located on Lots 34, 35, 36, 37, 38, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138 and 139 shall drain directly to a public street.

7.2 Residential Use. Except as provided in this Section 7.2, Lots shall be used solely for single-family residential purposes. Without limiting the generality of the foregoing, no trade, craft, business, profession, commercial, or similar activity of any kind shall be conducted on any Lot, nor shall any goods, equipment, vehicles, materials, or supplies used in connection with any trade, service, or business be kept or stored on any such Lot, other than with the prior approval of the Board. Nothing in this Section 7.2 shall be deemed to prohibit or limit (i) activities relating to the sale or rental of Homes, (ii) the right of Declarant or any Developer to construct Homes on any Lot or to store construction materials and equipment on any such Lot in the normal course of construction, or (iii) the right of any Owner to maintain a personal professional library, handle business or professional telephone calls, or confer with business or professional associates, clients, or customers in such Owner's Home. The Board shall not approve any activity otherwise prohibited by this Section 7.2 unless the Board determines that only normal residential activities would be observable outside the Home in question and that the activity would not violate applicable law.

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

7.4 Landscaping. The front yard and any applicable side yard of the Lot upon which a dwelling structure has been constructed shall be fully and completely landscaped with underground irrigation and the planting of cultivated grass laws and various shrubs prior to the occupancy of the Home on that specific Lot. Following such installation of underground irrigation and landscaping, the Association shall maintain irrigation and landscaping on front and side yards not enclosed by a fence, including any street frontage planter strips for all Lots and entry monuments (even if outside of Common Area Tracts). This responsibility shall include scheduled landscaping and maintenance of any grass than constitutes the front yard, as well as any shrubs or trees that are installed in the front yard. Owner may use any enclosed side and rear yard for any purpose not prohibited hereunder, provided such use is not deemed, by the ARC or the Association, to be a nuisance. Maintenance and upkeep of said enclosed side and rear yard areas is the Owner's sole responsibility.

7.4.1. Landscape installation of rear yards or enclosed areas on a Lot by Owners is subject to approval by the ARC. Said completed landscaping on Lots shall be installed by Owners no later than six (6) months after occupancy. All landscaping maintenance on Lots shall be

maintained in good condition, including watering, weeding, pruning, fertilization, mowing and other forms of typical maintenance. If an Owner fails to maintain said landscaping, Declarant, or Association in their place reserves the rights outlined in Section 9 to maintain. Owners are strongly encouraged to use sod for the planting of any lawns that will constitute the back yards and side yards of any Lot. At all times after substantial completion of the construction of a Home on a Lot and before the installation of landscaping, all back and side yards must be maintained so as not to be offensive in appearance nor cause or present any sort of hazardous, dangerous or unsightly condition.

7.4.2 The Association shall also be responsible for the landscaping and maintenance of the side street yards for any Lot that is also a corner Lot.

7.4.3 Watering, trimming and all maintenance associated with the street trees required by the City of Newberg which are planted along certain streets of Orchard Lair No. 2 that are the responsibility of the Association.

7.4.4 Declarant reserves the right to install and maintain landscape improvements on Lots for sales and marketing purposes, and hereby reserves a landscape easement on the front yards of said Lots and the street sideyards for this purpose. Declarant is not obligated to provide any landscaping in said areas noted in this section.

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

7.5 Maintenance. Each Owner and Occupant shall be solely responsible for the maintenance of their Homes. Required maintenance and repair shall include without limitation (i) maintenance of all parking areas and private drives in a clean and safe condition, including cleaning and repairing as often as is necessary; (ii) cleaning, maintenance, and relamping of any external lighting fixtures; and (iii) maintenance of exteriors of buildings in an attractive and neat condition at all times. The Association shall maintain the landscaping in front of the Home, and outside of side and rear yard fences, in accordance with Section 7.4. The cost of such maintenance by the Association shall be a Common Expense paid out of Assessments described in Article 5. In the event, however, then need for such maintenance or repair is caused by the willful or negligent act or omission of an Owner, his/her family, tenants, guests or invitees, and to the extent such maintenance or repair is not covered by the Association's insurance policy, the costs of such maintenance and repair may, at the discretion of the Board of Directors, be charged to the Owner as an Individual Assessment. If the Board determines that maintenance and repairs are not conducted as required pursuant to this Declaration, the Association may conduct the necessary repairs or maintenance as provided in Sections 3.5 and 9.

7.6 Limitations on Use

7.6.1 Offensive Activities. No noxious or offensive activity shall be permitted carried on in any Lot in Orchard Lair No. 2, nor shall anything be done or placed or maintained upon any Lot which interferes with or jeopardizes enjoyment of, or becomes an annoyance or nuisance to any Owner, or detracts from the value of any Lot in Orchard Lair No. 2 as a high-class residential neighborhood.

7.6.2 Animals. No large animals, livestock, or poultry of any kind shall be raised, kept, or permitted on any Lot or in any part of the affected Property. Any permitted domestic-type, household animals (such as dogs, cats, etc.) which are kept on the affected Property must not create any type of nuisance or noxious activity (including noise). No animals shall be allowed to become a nuisance to any residence within Orchard Lair No. 2. Any and all animals permitted under this Subsection shall not be kept, bred or raised from commercial purposes or be maintained in unreasonable numbers. In the event of a dispute over what constitutes a "domestic-type, household animal" or "maintained in unreasonable numbers", the decision of the ARC shall be final.

7.6.3 Parking. Each Lot shall provide adequate room for the parking of private vehicles, and all such private vehicles shall not be allowed to be parked in any portion of the Property so that such vehicle(s) becomes a sight nuisance from any portion of the streets which may act as access to the entire Property. No Owners shall permit or allow any vehicle which is inoperable to remain parked or stored upon any Lot or Common Area or upon any street for a period in excess of forty-eight (48) hours. In addition, the parking or storage of boats, trailers, recreational vehicles, trucks, campers, motorcycles, and similar equipment or personal property shall not be allowed on any Lot, or any street adjacent thereto, except within an enclosed garage or screened area which prevents the vehicle or equipment therein from being seen from any other Lot, the Common Areas, or any street within the Real Property and the construction of which has been reviewed and approved by the ARC pursuant to Section 6.

7.6.4 Antennas and Satellite Dishes. No television antennas or radio aerials shall be permitted on any Lot, Home or any part or area of the Property. Small-size satellite receivers and dishes shall be permitted on a Lot, Home or any part of area of the Property only if such small-size satellite receiver(s) or dish(es) are screened from the view of any street and are not placed on the roof of any Home or Improvement. All utilities shall be installed underground, as no overhead wires or services 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 not to be viewed from any street.

7.6.5 Rubbish and Trash. No Lot or any part of the Common Areas or any part of the Property shall be used as a dumping site or repository for trash, rubbish, refuse, garbage, or any other form of waste of any kind. All garbage and other waste shall be kept in appropriate sanitary containers for proper disposal or recycling and out of public view, and shall not cause or be

a form of nuisance to any Owner. Yard rakings, dirt, and other material resulting from landscaping work shall not be dumped onto streets, the Common Areas or any Lot. In the event an Owner or Occupant fails to remove any trash, rubbish, garbage, yard rakings, or other waste materials from such Owner's or Occupant's Lot (or from any street or the Common Areas, if deposited thereon by such Owner or Occupant) within five (5) days after notice from the Association, the Association may have such waste removed and charge the expense of such removal to the Owner of the Lot as provided in Section 9. Trimmings, cuttings and like debris may be composted by an Owner on the Owner's Lot, provided that such trimmings, cutting and like debris are maintained in a singular location on the Lot not visible from any street and so as not to become an annoyance or nuisance to any other Owner in the Property. Each Owner is responsible for trash disposal on the Owner's Lot, 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.

7.6.6 Temporary Structures. No structure of a temporary character, campers, recreational vehicles, trailer, tent, shack, garage, barn, or other outbuilding shall be permitted or used in Orchard Lair No. 2 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 Property while Homes are being constructed.

7.6.7 Improvements in the Common Areas. No Improvement of any type shall be erected or maintained by any Owner or Occupant so as to trespass or encroach upon the Common Areas.

7.6.8 Signs. No sign or other advertising device of any kind shall be created, displayed, erected or constructed upon or placed within or on any Lot to the public view, except one professionally-made sign measuring not more than eighteen (18) inches by twenty-four (24) inches advertising the Lot for sale. This restriction shall not prohibit the temporary placement of political signs, garage sale signs, for rent signs, or a sign for a City of Newberg permitted home-based business on any Lot by the Owner thereof, or placement of a professionally-made signs by Declarant that complies with applicable sign ordinances, provided any such signs shall not measuring not more than eighteen (18) inches by twenty-four (24) inches. This restriction shall also not apply to signs used by Declarant, builders, realtors or agents during construction and sales of Homes on Lots.

7.6.9 Fences. 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 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 wood and be a "good neighbor" construction type with similar material and style to other fences existing with Orchard Lair No. 2 at the time the construction is commenced by the Owner. All fences must be approved in advance by the ARC.

7.6.10 Business and Trade. No trade, craft, business, profession, commercial activity, or similar type activity of any kind or nature shall be permitted or conducted on any Lot, not shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, craft, business, profession, commercial activity, or similar type activity be kept or stored on any Lot (unless allowed and permitted by the City of Newberg), excepting there from the right of any homebuilder, contractor, and the Declarant, Declarant's assigned or any Related Entity to construct the infrastructure of Orchard Lair No. 2 and the Homes and Improvements on the Lots, and to store construction equipment and materials on said Lots in the normal course of construction of said infrastructure, Homes and/or model homes for the purposes of sales in Orchard Lair No. 2. Furthermore, during the course of construction of a Home or Improvement, the Owner and/or the Owner's 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 7.1.3.

SECTION 8. COMMON AREAS

8.1 Common Areas. The Common Areas shall be conveyed to the Association by Declarant no later than the Turnover Date, subject to all limitations and conditions of approval imposed on such space by the City. Every Owner and Occupant, and all invitees and guests of all Owners and Occupants, shall have a nonexclusive right and easement to use and enjoy the Common Areas, which right and easement shall be appurtenant to and shall run with the Real Property and all Lots therein. Such right and easement shall be subject to the Association's right to promulgate rules and regulations governing the use of the Common Areas. The Association shall maintain and repair the Common Areas, subject to the Owners' obligations to pay their allocable shares of the cost of such maintenance and repair in accordance with Section 5.

8.2 Future Improvements. Subject to Section 8.1 hereof, the Association shall have the right to make further Improvements in or of the Common Areas and to expand or replace any Improvements in the Common Areas.

8.3 Rights of Association in Common Areas. The Association shall have the right to sell, convey or subject to a security interest or lien all or any portion of the Common Areas if: (a) eighty (80%) percent or more of the Owners agree to the action, with each Owner having one vote for each Lot owned; and (b) the approval of the City is obtained in connection with any action relating to the Tract. For purposes of this Section 8.3, if there is more than one Owner of any Lot, such Owners shall together be considered a single Owner with respect to such Lot. Any such action shall be effective upon recording of an instrument in the Yamhill County real property records, acknowledged by the appropriate officer and setting forth the action taken by the Owners. The proceeds of any such sale, conveyance or borrowing shall be deemed an asset of the Association.

SECTION 9. RIGHT OF ENTRY

Declarant, the Association, the Architectural Review Committee, and any representative of any of the foregoing shall have the right to enter upon any Lot (i) to clean or maintain landscaping,

parking areas, driveways, exterior lighting fixtures, and buildings; (ii) to inspect any Lot prior to, during, or upon the completion of construction of Homes or Improvements thereon; (iii) to remove, demolish, replace, alter, repair, or otherwise correct any Home or Improvement which is placed on any Lot without the prior approval of the Architectural Review Committee pursuant to Section 6 or which is constructed or installed in a manner inconsistent with the terms of the Architectural Review Committee's approval therefore pursuant to Section 6; (iv) to enforce the provisions of Sections 7.3, 7.4, and 7.5 if the Owner of the Lot in question does not do so as required by this Declaration; or (v) for any other purpose permitted under this Declaration. The Owner of any Lot shall reimburse the Association for any expenses incurred in connection with any action described in the clauses (i), (iii), or (iv) of the preceding sentence promptly upon billing of the same. If the Owner fails to reimburse the Association within ten (10) days after such billing, the Association may impose a lien against the Lot as provided in Section 5.11. No entry on any Lot pursuant to this Section 9 shall be deemed a trespass or otherwise create any right of action in the Owner or Occupant of such Lot.

SECTION 10. GENERAL PROVISIONS

10.1 Duration. These covenants, conditions, and restrictions shall run with and bind, benefit, and burden in perpetuity the Real Property, all Owners and Occupants, and the lessees, invitees, and guests of all Owners and Occupants.

10.2 Severability. In the event any provision of this Declaration is determined to be invalid or unenforceable, that determination shall not affect the validity or enforceability of any other provision or of the same provision to a different situation.

10.3 Amendment. Prior to the Turnover Date, subject to Section 8.3, this Declaration may be amended at any time and from time to time by Declarant to comply with the requirements of the Federal Housing Administration, the United States Department of Veterans' Affairs, the Farmer's 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. Thereafter, this Declaration, subject to Sections 10.4 and 10.5, may be amended only upon the affirmative vote of eighty-five percent (85%) or more of the Owners, with each Owner having one vote for each Lot owned. For purposes of this Section 10.3, if there is more than one Owner of any Lot, such Owners shall together be considered a single Owner with respect to such Lot. In no event shall an amendment under this section create, limit or diminish the Special Declarant Rights specified in Section 10.12 hereof without Declarant's written consent, or change the boundaries of any Lot or any uses to which any Lot is restricted unless the Owners of the affected Lots unanimously consent to the amendment. When the Association adopts an amendment to this Declaration, the Association shall record the amendment in the real property records of Yamhill County. Any such amendment shall be effective only upon recordation. Amendments to

this Declaration shall be executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of such designation, by the president of the Board.

10.4 Enforcement. The Association and each Owner shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens, and charges now or hereinafter imposed pursuant to any provision of this Declaration by any appropriate proceeding at law or in equity. Any remedies specifically provided herein are nonexclusive and cumulative and are in addition to all other remedies available to the Association and the Owners at law or in equity. In the event that suit or action is instituted to enforce any provision of this Declaration, the prevailing party shall be entitled to recover from the losing party the prevailing party's reasonable attorneys' fees and costs incurred in connection with such suit or action, including those incurred in connection with any appeal or review proceeding.

10.5 Mortgage Protection. Except upon the written 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 Restated Declaration which add to or amend any material provision of the Restated Declaration which establish, provide for, govern or regulate any of the following:

10.5.1 Termination of this Restated 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 Restated Declaration shall be carried out by the Owners pursuant to the provisions of this Restated Declaration, and only after a vote of the Owners as required by this Restated Declaration.

10.5.2 The provisions of Section 10.3 are intended to only be a limitation on the rights of Owners to amend the Restated Declaration, and any such amendments to the Restated 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.

105.3 Any Mortgagee who receives a written request to approve an amendment to the Restated Declaration or any other action to be taken, shall be deemed to have given such approval unless such Mortgagee's written request to such action is delivered to the requesting Owners within thirty (30) days after the written request.

10.6 Non-Waiver. Any failure of the Association or any Owner to enforce a covenant, condition, or restriction contained in this Declaration shall not be deemed to constitute a waiver of the Association's or any Owner's right to enforce that or any other covenant, condition, or restriction contained in this Declaration.

10.7 Declarant Not Liable. Neither Declarant nor Declarant's successors or assigns shall be liable to any Owner or Occupant or to any other Person for its enforcement or failure to enforce

any provision of this Declaration. Each Owner and Occupant, by acquiring such Owner's or such Occupant's interest in the Property, agrees not to bring any action or suit against Declarant or any successor or assign of Declarant to recover any such damages or to seek any other relief (including without limitation equitable relief) by reason of any such enforcement or failure to enforce any provision of this Declaration. Each Owner and Occupant shall and does, by taking title to or occupying any portion of the Property, agree to defend, indemnify, and hold harmless Declarant and Declarant's successors and assigns from any claim, loss, damage, cost, or expense (including without limitation reasonable attorneys' fees) arising out of the use, operation, ownership, occupancy, or condition or state of repair of that portion of the Property owned by such Owner or occupied by such Occupant.

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

10.9 Joint and Several Liability. If an Owner consists of more than one Person, each such Person shall be jointly and severally liable for any assessment or charge and for the performance of any other obligation imposed pursuant to this Declaration.

10.10 Captions. The captions and headings of sections herein are for convenience only and are not intended in any way to define, limit, or describe the scope or intent of any section of this Declaration.

10.11 Notices. All notices under this Declaration shall be in writing. Any such notice shall be deemed effective on the earlier of the date of delivery or, if mailed, three (3) business days following the date of mailing, if addressed to the addressee at the address, if any, designated in the Association's records.

10.12 Special Rights Retained by Declarant. Declarant has retained "Special Declarant Rights", as that term is defined in Oregon Revised Statutes 94.550(12), and these rights are set forth in Sections 4.7, 4.8, 5.2, 5.3, 5.4, 5.5, 5.7, 6.1, 10.3 and 10.7.

10.13 AIO Sub District. No Owner shall sell, nor offer for sale, any property or Lot within the AIO Sub-District unless the prospective buyer has been notified that the Lot is within the AIO Sub-District, and agrees in writing to follow Aircraft Owners and Pilots Association (AOPA) standard noise abatement procedures, or the most recent noise abatement procedures established at the airport. When Lot or Property ownership is transferred, the conveying deed shall be amended to note that the Lot or Property is within the City of Newberg Airport Industrial Overlay Sub-District.

10.14 Hold Harmless. All Owner's hereby agree to hold the City of Newberg, the public at large and 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 3rd Street Access. All Owners' acknowledge that there is no direct motor vehicle access from any Lot in Orchard Lair No. 2 to 3rd Street.

10.16 Compliance with the Oregon Planned Community Development Act. Notwithstanding any provision of this Declaration that might be construed to the contrary, all activity with relationship to Orchard Lair No. 2 and the Association, including but not limited to management and operation of Orchard Lair No. 2 and the Association, shall be conducted in accordance with the Oregon Planned Community Development Act.

10.17 Records. The Board of Directors shall preserve and maintain minutes of the meetings of the Association, the Board and any committees. The Board of Directors shall also keep detailed and accurate financial records including individual assessment accounts of Owners, the balance sheet, and income and expense statements. Individual assessment accounts shall designate the name and address of the Owner or Owners of the Lot, the amount of each assessment as it becomes due, the amounts paid upon the account, and the balance due on the assessments. The minutes of the Association, the Board and the committees, and the Association's financial records shall be reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Association for labor and materials relative to providing copies. Owners can obtain copies of this information within 10-days of a receipt of a written request.

10.18 Indemnification of Directors, Officers, Employees and Agents. The Association shall indemnify any Director, Officer, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the fact that he/she is or was a Director, Officer, employee or agent of the Association or is or was serving at the request of the Association as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he/she reasonably believed to be in, or not opposed to, the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe his/her conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit or proceeding as and when incurred, subject only to the rights of the Association to reimbursement of such payment form such person, should it be proven at a later time that such person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the

Association as a Director, Officer, employee or agent shall have a right of contribution over and against all other Directors, Officers, employees or agents and members of the Association who participated with or benefited from the acts which created said liability.

10.19 Resolution of Document Conflicts. In the event of a conflict among any of the provisions in the documents governing Orchard Lair No. 2, such conflict shall be resolved by looking to the following documents in the order shown below:

1. Declaration of Covenants, Conditions and Restrictions;
2. Articles of Incorporation;
3. Bylaws;
4. Rules and Regulations.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has executed this Declaration on this 14 day of April, 2010.

THIRD STREET DEVELOPMENT, LLC,
AN OREGON LIMITED LIABILITY COMPANY

By: Newberg Development Group, LLC
Its: Member
By:
Its: Member
Matt Willcuts

OFFICAL SEAL
JULIE SELBY
NOTARY PUBLIC-OREGON
COMMISSION NO.A410875
MY COMMISSION EXPIRES OCTOBER 31, 2010

STATE OF OREGON)
) ss.
County of Clackamas)

The foregoing instrument was acknowledged before me this 14th day of April 2010, by Matt 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 on behalf of the company.

Notary Public for Oregon
My Commission Expires October 31, 2010

OFFICAL SEAL
JULIE SELBY
NOTARY PUBLIC-OREGON
COMMISSION NO.A410875
MY COMMISSION EXPIRES OCTOBER 31, 2010

ORCHARD LAIR INVESTMENT GROUP, LLC,
AN OREGON LIMITED LIABILITY COMPANY

By: J.T. Smith Companies
Its: Manager

STATE OF OREGON)
) ss.
County of Clackamas)

The foregoing instrument was acknowledged before me this 14th day of April, 2010, by Jeff Smith for J.T. Smith Companies, as manager of Orchard Lair Investment Group, LLC, an Oregon limited liability company.

Notary Public for Oregon
My Commission Expires October 31, 2010

OFFICAL SEAL
JULIE SELBY
NOTARY PUBLIC-OREGON
COMMISSION NO.A410875
MY COMMISSION EXPIRES OCTOBER 31, 2010

LAIR PROPERTIES, LLC,
AN OREGON LIMITED LIABILITY COMPANY

By: Matt Willcuts
Its: member

STATE OF OREGON)
) ss.
County of Clackamas)

The foregoing instrument was acknowledged before me this 14th day of April 2010, by Matt Willcuts, member of Lair Properties, LLC, an Oregon limited liability company.

Notary Public for Oregon
My Commission Expires October 31, 2010

OFFICAL SEAL
JULIE SELBY
NOTARY PUBLIC-OREGON
COMMISSION NO.A410875
MY COMMISSION EXPIRES OCTOBER 31, 2010

BLACK DIAMOND PROPERTIES, LLC
AN OREGON LIMITED LIABILITY COMPANY

By: Oakridge Estates Development Corporation
Its: Member

STATE OF OREGON)
) ss.
County of Clackamas)

The foregoing instrument was acknowledged before me this 14th day of Apr, 2010, by Jeff Smith for Oakridge Estates Development Corporation, as Member of Black Diamond Properties, LLC, an Oregon limited liability company.

Notary Public for Oregon
My Commission Expires October 31, 2010

OFFICAL SEAL
JULIE SELBY
NOTARY PUBLIC-OREGON
COMMISSION NO.A410875
MY COMMISSION EXPIRES OCTOBER 31, 2010

COYOTE HOMES, INC.
AN OREGON CORPORATION

By: Matt Willcuts
Its: V.P.

STATE OF OREGON)
) ss.
County of Clackamas)

The foregoing instrument was acknowledged before me this 14th day of April, 2010, by Matt Willcuts, Vice Pres of Coyote Homes, Inc., an Oregon Corporation.

Notary Public for Oregon
My Commission Expires October 31, 2010

OFFICAL SEAL
JULIE SELBY
NOTARY PUBLIC-OREGON
COMMISSION NO.A410875
MY COMMISSION EXPIRES OCTOBER 31, 2010

FLOYD CROUCH

Floyd Crouch

STATE OF OREGON)
) ss.
County of Clackamas)

The foregoing instrument was acknowledged before me this 14th day of April, 2010, by Floyd Crouch, an individual.

Notary Public for Oregon
My Commission Expires October 31, 2010

AFTER RECORDING, RETURN TO:

Charles E. Harrell
BUCKLEY LAW P.C.
5300 Meadows Road, Suite No. 200
Lake Oswego, Oregon 97035

TICOR TITLE COMPANY Courtesy

13-7221

OFFICIAL YAMHILL COUNTY RECORDS
BRIAN VAN BERGEN, COUNTY CLERK

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$80.00 $5.00 $11.00 $15.00

FIRST AMENDMENT TO RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ORCHARD LAIR PHASE 2

THIS FIRST AMENDMENT TO RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ORCHARD LAIR PHASE 2 ("First Amended CC&Rs") is made effective the 17th day of April, 2013, by Third Street Development, LLC, an Oregon limited liability company (the "Declarant") and are approved by Black Diamond Properties, LLC, an Oregon limited liability company ("Black Diamond"); Orchard Lair Investment Group, LLC, an Oregon limited liability company ("Orchard Lair Investment Group"); Lair 20, LLC, an Oregon limited liability company ("Lair 20"); Orchard Lair No. 2 Homeowner's Association, an Oregon non-profit corporation ("Association") and certain other individual property owners whom are identified below and whom have executed this First Amended CC&Rs (the "Individual Owners").

RECITALS

A. Declarant is the owner of, or controls, those certain Lots located in the City of Newberg, Yamhill County, State of Oregon, referred to as the Plat of Orchard Lair Phase 2, recorded September 27, 2007, as Instrument No. 2007-21380, consisting of the tax lots more specifically identified on Exhibit A, hereinafter referred to as the "Declarant Lots."

B. Black Diamond is the owner of, or controls, those certain Lots located in the City of Newberg, Yamhill County, State of Oregon, referred to as the Plat of Orchard Lair Phase 2, recorded September 27, 2007, as Instrument No. 2007-21380, consisting of the tax lots more specifically identified on Exhibit B, hereinafter referred to as the "Black Diamond Lots."

C. Orchard Lair Investment Group is the owner of, or controls, those certain Lots located in the City of Newberg, Yamhill County, State of Oregon, referred to as the Plat of Orchard Lair Phase 2, recorded September 27, 2007, as Instrument No. 2007-21380, consisting of the tax lots more specifically identified on Exhibit C, hereinafter referred to as the "Orchard Lair Investment Group Lots."

D. Lair 20 is the owner of, or controls, those certain Lots located in the City of Newberg, Yamhill County, State of Oregon, referred to as the Plat of Orchard Lair Phase 2, recorded September 27, 2007, as Instrument No. 2007-21380, consisting of the tax lots more specifically identified on Exhibit D, hereinafter referred to as the "Lair 20 Lots."

E. The Association is the owner of, or controls, those certain Lots located in the City of Newberg, Yamhill County, State of Oregon, referred to as the Plat of Orchard Lair Phase 2, recorded September 27, 2007, as Instrument No. 2007-21380, consisting of the tax lots more specifically identified on Exhibit E, hereinafter referred to as the "Association Lots."

F. The Individual Owners are the owners of those certain Lots located in the City of Newberg, Yamhill County, State of Oregon, referred to as the Plat of Orchard Lair Phase 2, recorded September 27, 2007, as Instrument No. 2007-21380, consisting of the tax lots more specifically identified next to the signature block for such Individual Owners.

G. Together, the Declarant Lots, the Black Diamond Lots, the Orchard Lair Investment Group Lots, the Lair 20 Lots, the Association Lots and the Lots owned by the Individual Owners compose at least 113 of the 132 Lots of ORCHARD LAIR PHASE 2, as provided in the Plat of Orchard Lair Phase 2, recorded September 27, 2007, as Instrument No. 2007-21380, Official Yamhill County Records ("Orchard Lair Phase 2").

H. The Restated Declaration of Covenants, Conditions and Restrictions for Orchard Lair Phase 2 were recorded on April 16, 2010 as Instrument No. 2010-04915, Official Yamhill County Records ("Restated CC&Rs").

I. Declarant, Black Diamond, Orchard Lair Investment Group, Lair 20, the Association and the Individuals Owners desire to amend the Restated CC&Rs for the limited purposes of amending the terms, duties and obligations regarding the maintenance and landscaping of front and side yards of Lots as provided in Section 7.4 of the Restated CC&Rs.

J. At least eighty-five percent (85%) of all Owners voted in favor of amending the Restated CC&Rs as provided herein.

K. Unless otherwise defined herein, the definitions used in this First Amended CC&Rs shall have the same meaning as set forth in the Restated CC&Rs.

NOW THEREFORE, the Declarant, Black Diamond, Orchard Lair Investment Group, Lair 20, the Association and the Individual Owners hereby amend the Restated CC&Rs as follows:

COVENANTS CONDITIONS AND RESTRICTIONS

1. INCORPORATION OF RECITALS. The above Recitals are incorporated herein as if set forth in full.

///

2. **NON-MODIFICATION OF RESTATED CC&RS.** Except as specifically provided herein, the Restated CC&Rs shall remain in full force and effect and are not otherwise amended or modified.

3. **AMENDMENT TO SECTION 7.4 OF RESTATED CC&RS.** Section 7.4 of the Restated Declaration of Covenants, Conditions and Restrictions for Orchard Lair Phase 2 is amended in its entirety and now provides as follows:

> **7.4 Landscaping.** The front yard and any applicable side yard of the Lot upon which a dwelling structure has been constructed shall be fully and completely landscaped with underground irrigation and the planting of cultivated grass laws and various shrubs prior to the occupancy of the Home on that specific Lot. Following such installation of underground irrigation and landscaping, the Owner of such Lot shall maintain the landscaping on such Lot's front and side yards, including any street frontage planter strips for all Lots and entry monuments (even if outside of Common Area Tracts), and the Association shall maintain the irrigation system on front and side yards not enclosed by a fence. The Owner's landscaping responsibility shall include scheduled landscaping and maintenance of any grass than constitutes the front yard and side yard, as well as any shrubs or trees that are installed in the front yard and side yard. Owner may use any enclosed side and rear yard for any purpose not prohibited hereunder, provided such use is not deemed, by the ARC or the Association, to be a nuisance. Maintenance and upkeep of said enclosed side and rear yard areas is the Owner's sole responsibility.

OWNER CERTIFICATION

The undersigned, constituting at least of eighty-five prevent (85%) of the Owners of Lots in Orchard Lair Phase 2 certify that the foregoing FIRST AMENDMENT TO RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ORCHARD LAIR PHASE 2 was duly approved and adopted in the manner required by Section 10.3 of the Restated CC&Rs.

(Remainder of page left intentionally blank.
Signatures and notarial acknowledgment on pages to follow.)

THIRD STREET DEVELOPMENT, LLC, AN OREGON LIMITED LIABILITY COMPANY

By: CH50, LLC
Its: Member
By: Oakridge Estates Development Corporation
Its: Member
By: Jeffery Smith
Its: President

STATE OF OREGON)
) ss
County of Clackamas)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Jeffery Smith, President of Oakridge Estates Development Corporation, sole member of CH50, LLC, as sole member of Third Street Development, LLC.

OFFICIAL SEAL
ROX ANA L BERNHARDT
NOTARY PUBLIC - OREGON
COMMISSION NO. 371335
MY COMMISSION EXPIRES AUGUST 7, 2007

NOTARY PUBIC FOR OREGON
My commission expires: 8/11/2015

BLACK DIAMOND PROPERTIES, LLC, AN OREGON LIMITED LIABILITY COMPANY

OFFICIAL SEAL
ROX ANA L BERNHARDT
NOTARY PUBLIC - OREGON
COMMISSION NO. 460925
MY COMMISSION EXPIRES AUGUST 11, 2015

By: Oakridge Estates Development Corporation
Its: Member
By: Jeffery Smith
Its: President

STATE OF OREGON)
) ss
County of Clackamas)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Jeffery Smith, President of Oakridge Estates Development Corporation, sole member of Black Diamond Properties, LLC.

OFFICIAL SEAL
ROX ANA L BERNHARDT
NOTARY PUBLIC - OREGON
COMMISSION NO. 460925
MY COMMISSION EXPIRES AUGUST 11, 2015

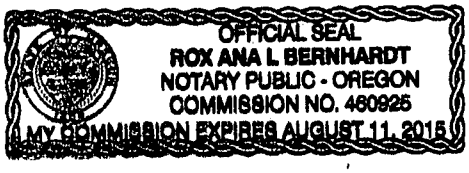
NOTARY PUBIC FOR OREGON
My commission expires: 8/11/15

ORCHARD LAIR INVESTMENT GROUP LLC, AN OREGON LIMITED LIABILITY COMPANY

By: Jeffery Smith
Its: Manager

STATE OF OREGON)
) ss
County of Clackamas)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Jeffery Smith, Manager of Orchard Lair Investment Group LLC.



NOTARY PUBIC FOR OREGON
My commission expires: 8/11/15

LAIR 20 LLC, AN OREGON LIMITED LIABILITY COMPANY

By: Vergepointe Capital Fund X, LP
Its: Member
By: VCFGP X, LLC
Its: General Partner
By: VCJT, LLC
Its: Manager
By: Matthew Vance
Its: Manager

By: Vergepointe Capital Fund X, LP
Its: Member
By: VCFGP X, LLC
Its: General Partner
By: VCJT, LLC
Its: Manager
By: Scott Roberts
Its: Manager

By: Vergepointe Capital Fund X, LP
Its: Member
By: VCFGP X, LLC
Its: General Partner
By: VCJT, LLC
Its: Manager
By: Jeffery Smith
Its: Manager

STATE OF OREGON)
) ss
County of Clackamas)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Matthew Vance, Scott Roberts and Jeffery Smith as managers of VCJT, LLC, member of VCFGP X, LLC, as general partner of Vergepointe Capital Fund X, LP, member of Lair 20, LLC.

OFFICIAL SEAL
ROX ANA L BERNHARDT
NOTARY PUBLIC - OREGON
COMMISSION NO. 460925
MY COMMISSION EXPIRES AUGUST 11, 2015

Roxana L Bernhardt
NOTARY PUBIC FOR OREGON
My commission expires: 8/11/15

ORCHARD LAIR NO. 2 HOMEOWNER'S ASSOCIATION, AN OREGON NON-PROFIT CORPORATION

By: Greg Keys
Its: President

STATE OF OREGON)
) ss
County of Clackamas)

The foregoing instrument was acknowledged before me this 15th day of April, 2013, by Greg Keys ~~Smith~~ GMK, President of Orchard Lair No. 2 Homeowner's Association.

OFFICIAL SEAL
CINDY M CHRISTENSEN
NOTARY PUBLIC – OREGON
COMMISSION NO. 442868
MY COMMISSION EXPIRES OCTOBER 23, 2013

Cindy M Christensen
NOTARY PUBIC FOR OREGON
My commission expires: 10-23-2013

Lot No.: R3220AC-04000

By: Patrick R. Patterson

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this ____ day of April, 2013, by Patrick R. Patterson, as his voluntary act and deed.

NOTARY PUBIC FOR OREGON
My commission expires: _____

By: Ambrocio F. Torres

Lot No.: R3220AC-06500

STATE OF OREGON)
) ss
County of Yamhill)

OFFICIAL SEAL
MELINDA RAE ALLISON
NOTARY PUBLIC-OREGON
COMMISSION NO. 440251
MY COMMISSION EXPIRES JULY 5, 2013

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Ambrocio F. Torres, as his voluntary act and deed.

Melinda Allison
NOTARY PUBIC FOR OREGON
My commission expires: July 5, 2013

By: Humberto V. Ortiz

Lot No.: R3220AC-07000

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Humberto V. Ortiz, as his voluntary act and deed.

OFFICIAL SEAL
MELINDA RAE ALLISON
NOTARY PUBLIC-OREGON
COMMISSION NO. 440251
MY COMMISSION EXPIRES JULY 5, 2013

Melinda Allison
NOTARY PUBIC FOR OREGON
My commission expires: July 5, 2013

By: ~~Brent L. Carr~~ Samantha M. Carr

Lot No.: R3220AC-07300

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Brent L. Carr, as his voluntary act and deed.

OFFICIAL SEAL
MELINDA RAE ALLISON
NOTARY PUBLIC-OREGON
COMMISSION NO. 440251
MY COMMISSION EXPIRES JULY 5, 2013

Melinda Allison
NOTARY PUBIC FOR OREGON
My commission expires: July 5, 2013

By: Ronald J. O'Reilly

Lot No.: R3220AC-07400

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Ronald J. O'Reilly, as his voluntary act and deed.

OFFICIAL SEAL
MELINDA RAE ALLISON
NOTARY PUBLIC-OREGON
COMMISSION NO. 440251
MY COMMISSION EXPIRES JULY 5, 2013

NOTARY PUBIC FOR OREGON
My commission expires: July 5, 2013

By: Mark D. Gayman

Lot No.: R3220AC-12900

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Mark D. Gayman, as his voluntary act and deed.

OFFICIAL SEAL
MELINDA RAE ALLISON
NOTARY PUBLIC-OREGON
COMMISSION NO. 440251
MY COMMISSION EXPIRES JULY 5, 2013

NOTARY PUBIC FOR OREGON
My commission expires: July 5, 2013

By: Emily Godwin

Lot No.: R3220AC-11600

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Emily Godwin, as his/her/their voluntary act and deed.

OFFICIAL SEAL
MELINDA RAE ALLISON
NOTARY PUBLIC-OREGON
COMMISSION NO. 440251
MY COMMISSION EXPIRES JULY 5, 2013

NOTARY PUBIC FOR OREGON
My commission expires: July 5, 2013

By: Kody Kosters

Lot No.: R3220AC-09600

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Kody Kosters, as his/her/their voluntary act and deed.

OFFICIAL SEAL
MELINDA RAE ALLISON
NOTARY PUBLIC-OREGON
COMMISSION NO. 440251
MY COMMISSION EXPIRES JULY 5, 2013

Melinda Allison
NOTARY PUBIC FOR OREGON
My commission expires: July 5, 2013

By: TROY NIELSEN

Lot No.: R3220AC-10500

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Troy Nielsen, as his/her/their voluntary act and deed.

OFFICIAL SEAL
MELINDA RAE ALLISON
NOTARY PUBLIC-OREGON
COMMISSION NO. 440251
MY COMMISSION EXPIRES JULY 5, 2013

Melinda Allison
NOTARY PUBIC FOR OREGON
My commission expires: July 5, 2013

By: Charlene R Brown

Lot No.: R3220AC-06900

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Charlene Brown, as his/her/their voluntary act and deed.

OFFICIAL SEAL
MELINDA RAE ALLISON
NOTARY PUBLIC-OREGON
COMMISSION NO. 440251
MY COMMISSION EXPIRES JULY 5, 2013

Melinda Allison
NOTARY PUBIC FOR OREGON
My commission expires: July 5, 2013

Lot No.: R3220AC-07600

By: Samuel Provoast

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Samuel Provoast, as his/her/their voluntary act and deed.

OFFICIAL SEAL
MELINDA RAE ALLISON
NOTARY PUBLIC-OREGON
COMMISSION NO. 440251
MY COMMISSION EXPIRES JULY 5, 2013

Melinda Allison
NOTARY PUBIC FOR OREGON
My commission expires: July 5, 2013

Lot No.: R3220AC-08100

By: Jeni Halter

By:

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Jeni Halter, as his/her/their voluntary act and deed.

OFFICIAL SEAL
MELINDA RAE ALLISON
NOTARY PUBLIC-OREGON
COMMISSION NO. 440251
MY COMMISSION EXPIRES JULY 5, 2013

Melinda Allison
NOTARY PUBIC FOR OREGON
My commission expires: July 5, 2013

Lot No.: R3220AC-08300

By: Brian Journey

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 17th day of April, 2013, by Brian Journey, as his/her/their voluntary act and deed.

OFFICIAL SEAL
CRYSTAL J MARKS
NOTARY PUBLIC-OREGON
COMMISSION NO. 475149
MY COMMISSION EXPIRES MARCH 01, 2017

NOTARY PUBIC FOR OREGON
My commission expires: 03/01/17

SAM

By: Samuel Provoast

Lot No.: R3220AC-07600

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Samuel Provoast, as his/her/their voluntary act and deed.

OFFICIAL SEAL
MELINDA RAE ALLISON
NOTARY PUBLIC-OREGON
COMMISSION NO. 440251
MY COMMISSION EXPIRES JULY 5, 2013

Melinda Allison
NOTARY PUBIC FOR OREGON
My commission expires: July 5, 2013

Jeni Halter

By: Jeni Halter

Lot No.: R3220AC-08100

By:

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 15 day of April, 2013, by Jeni Halter, as his/her/their voluntary act and deed.

OFFICIAL SEAL
MELINDA RAE ALLISON
NOTARY PUBLIC-OREGON
COMMISSION NO. 440251
MY COMMISSION EXPIRES JULY 5, 2013

Melinda Allison
NOTARY PUBIC FOR OREGON
My commission expires: July 5, 2013

By: CHRISTOPHER EVANS

Lot No.: R3220AC-04200

STATE OF OREGON)
) ss
County of Yamhill)

The foregoing instrument was acknowledged before me this 16th day of April, 2013, by Christopher Evans, as his/her/their voluntary act and deed.

OFFICIAL SEAL
CINDY M CHRISTENSEN
NOTARY PUBLIC – OREGON
COMMISSION NO. 442868
MY COMMISSION EXPIRES OCTOBER 23, 2013

Cindy M Christensen
NOTARY PUBIC FOR OREGON
My commission expires: 10-23-2013

Exhibit A

Declarant Lots (1)

R3220AC-13200

Exhibit B

Black Diamond Lots (14)

R3220AC-02000

R3220AC-02100

R3220AC-04500

R3220AC-04600

R3220AC-04700

R3220AC-08900

R3220AC-09000

R3220AC-09100

R3220AC-09700

R3220AC-09800

R3220AC-10600

R3220AC-10700

R3220AC-11400

R3220AC-11500

Exhibit C

Orchard Lair Investment Group Lots (59)

R3220AC-02600	R3220AC-07500	R3220AC-12500
R3220AC-02700	R3220AC-08400	R3220AC-12600
R3220AC-02800	R3220AC-08500	R3220AC-12700
R3220AC-02900	R3220AC-08600	R3220AC-12800
R3220AC-03000	R3220AC-09200	R3220AC-13400
R3220AC-03100	R3220AC-10000	R3220AC-13500
R3220AC-03200	R3220AC-10100	R3220AC-13600
R3220AC-04100	R3220AC-10200	R3220AC-13700
R3220AC-05100	R3220AC-10300	R3220AC-13800
R3220AC-05200	R3220AC-10400	R3220AC-13900
R3220AC-05300	R3220AC-10800	R3220AC-14000
R3220AC-05400	R3220AC-10900	R3220AC-14200
R3220AC-05500	R3220AC-11000	R3220AC-14300
R3220AC-05600	R3220AC-11100	R3220AC-14400
R3220AC-05700	R3220AC-11200	R3220AC-14500
R3220AC-05800	R3220AC-11800	R3220AC-14600
R3220AC-05900	R3220AC-11900	R3220AC-14700
R3220AC-06000	R3220AC-12000	
R3220AC-06100	R3220AC-12100	
R3220AC-06800	R3220AC-12200	
R3220AC-07200	R3220AC-12300	

Exhibit D

Lair 20 Lots (20)

R3220AC-02300

R3220AC-03300

R3220AC-03400

R3220AC-03500

R3220AC-03900

R3220AC-04800

R3220AC-04900

R3220AC-05000

R3220AC-06200

R3220AC-06300

R3220AC-07700

R3220AC-07800

R3220AC-07900

R3220AC-08700

R3220AC-08800

R3220AC-09300

R3220AC-09400

R3220AC-09500

R3220AC-13000

R3220AC-13100

Exhibit E

Association Lots (7)

R3220AC-03700

R3220AC-04300

R3220AC-04400

R3220AC-06400

R3220AC-11700

R3220AC-12400

R3220AC-14900

(6

AFTER RECORDING RETURN TO:

Jessica S. Cain
Gunn Cain & Kinney LLP
Attorneys at Law
700 Deborah Road Suite 250
Newberg, OR 97132

SEND ALL TAX STATEMENTS TO:

No change

OFFICIAL YAMHILL COUNTY RECORDS
JAN COLEMAN, COUNTY CLERK

200721383

$111.00

00282707200700213830180183

09/27/2007 04:10:59 PM

PR-BYLAWPR Cnt=1 Stn=2 ANITA
$90.00 $10.00 $11.00

BYLAWS OF
ORCHARD LAIR NO. 2 HOMEOWNER'S ASSOCIATION

ARTICLE 1

DEFINITIONS

1.1 **Association**. "Association" means **ORCHARD LAIR NO. 2 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 Protective Covenants, Conditions, and Restrictions for Orchard Lair No. 2 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.

FIRST AMERICAN TITLE

1/18

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.

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. 2 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.

3.12 **Rules of Order**. All meetings of the Association shall be conducted according to the latest edition of *Robert's Rules of Order,* published by Robert's Rules Association.

3.13 **Ballot Meetings**. (a) At the discretion of the Board of Directors, any action that may be taken at 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. 2 to Owners other than a successor Declarant. The committee shall consist of two (2) or more Owners elected by the Owners other than Declarant and not more than one (1) representative of Declarant. The

members shall serve until the Turnover Meeting. The Transitional Advisory Committee shall be advisory only, and its purpose shall be to enable ease of transition from administrative control of the Association by Declarant to control by the Owners. The committee shall have access to any information, documents and records that Declarant must turn over to the Owners at the time of the Turnover Meeting. If Declarant fails to call the meeting to elect a Transitional Advisory Committee within the time specified, the meeting may be called and notice given by any Owner. If the Owners fail to elect a Transitional Advisory Committee at the meeting called for such purpose, Declarant shall have no further obligation to form the committee.

4.4 **Election and Tenure of Office**. (a) At the Turnover Meeting, the interim directors shall resign and the members shall elect 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.

(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 the requirements of the Oregon Planned Community Act, ORS 94.550 to 94.780.

ARTICLE 8.

GENERAL PROVISIONS

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

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

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

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

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

ARTICLE 9.

AMENDMENTS TO BYLAWS

9.1 **How Proposed**. Amendments to these Bylaws shall be proposed by either, a majority of the Board of Directors or by members holding at least thirty percent (30%) of the voting rights entitled to be cast for such amendment. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken 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. 2 HOMEOWNERS ASSOCIATION

By: Marc Willcuts
Its: President

STATE OF OREGON)
)ss.
County of Yamhill)

The foregoing instrument was acknowledged before me this 13th day of July, 2007, by Marc Willcuts, President for Orchard Lair No. 2 Homeowner's Association and he acknowledged to me that he executed the same freely and voluntarily.

OFFICIAL SEAL
ANGELA N SIMERLY
NOTARY PUBLIC-OREGON
COMMISSION NO. 412055
MY COMMISSION EXPIRES NOVEMBER 16, 2010

Notary Public of Oregon
My commission expires: 11-16-2010

OFFICIAL YAMHILL COUNTY RECORDS
JAN COLEMAN, COUNTY CLERK
200721380
$91.00
09/27/2007 04:07:24 PM
00282703200700213800070079
PR-PPR Cnt=1 Stn=2 ANITA
$70.00 $10.00 $11.00

ORCHARD LAIR PHASE 2

A SUBDIVISION LOCATED IN THE NE QUARTER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 2 WEST, WILLAMETTE MERIDIAN, BEING A PORTION OF THE RICHARD EVEREST D.L.C. NO. 52, CITY OF NEWBERG, YAMHILL COUNTY, OREGON.

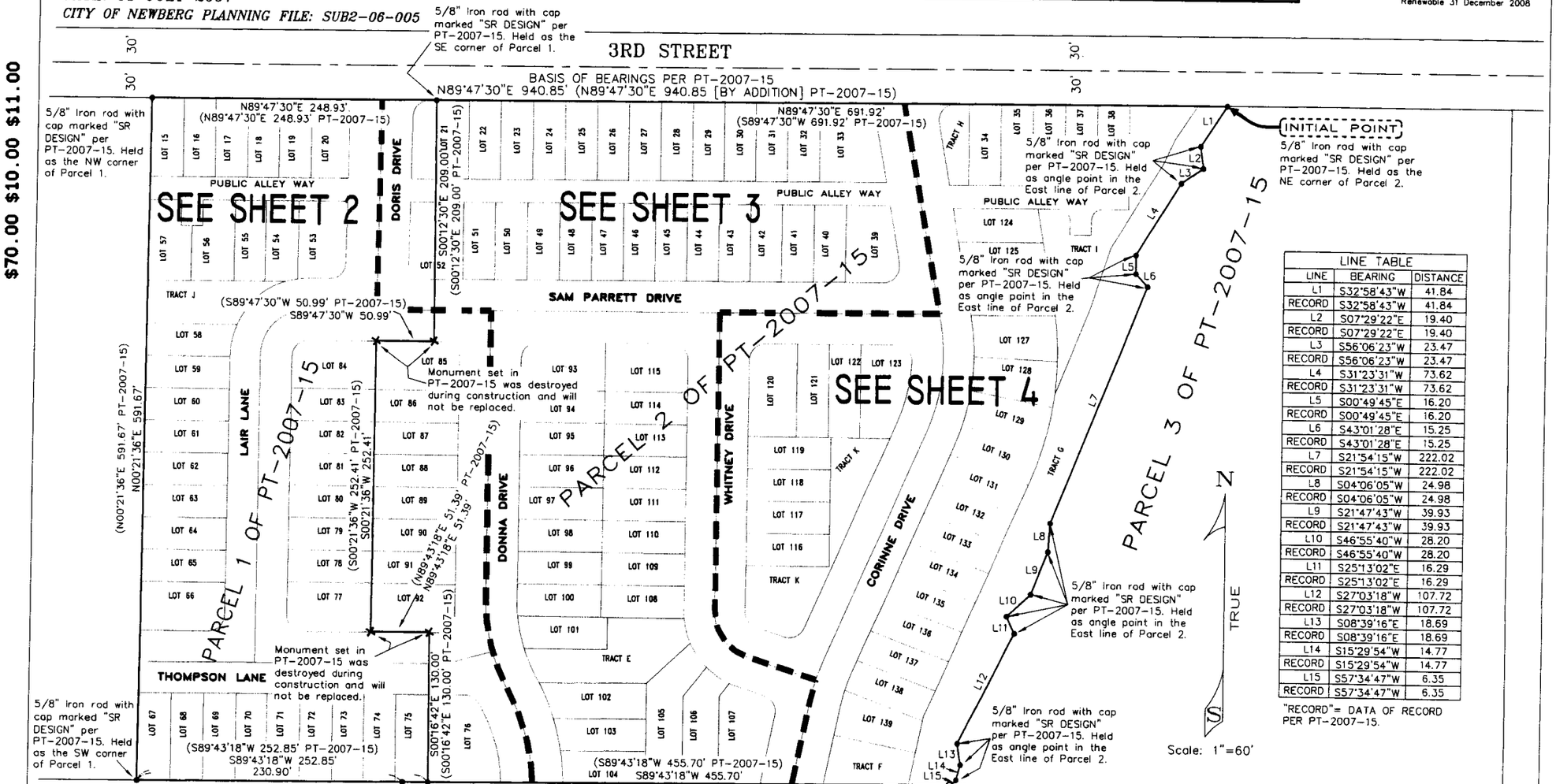
DATE: 31 JULY 2007

CITY OF NEWBERG PLANNING FILE: SUB2-06-005

SHEET INDEX

SHEET 1: EXTERIOR BOUNDARY SOLUTION, LINE TABLE.
SHEET 2: PLAT OF LOTS 15 THRU 20, LOTS 53 THRU 92, TRACT J, LINE TABLE.
SHEET 3: PLAT OF LOTS 21 THRU 33, LOTS 39 THRU 52, LOTS 93 THRU 115, TRACT E.
SHEET 4: PLAT OF LOTS 34 THRU 38, LOTS 116 THRU 139, TRACTS F & G & H & I & K AND LINE TABLE.
SHEET 5: ALLEY UTILITY EASEMENT DETAILS A, B, C & D & CURVE TABLE.
SHEET 6: SURVEYORS CERTIFICATE, NARRATIVE, LEGEND & NOTES.
SHEET 7: APPROVALS, DECLARATION, ACKNOWLGEMENTS. POST MONUMENTATION CERTIFICATE.

REGISTERED PROFESSIONAL LAND SURVEYOR
OREGON
JULY 9, 2001
NATHAN E. MAGNESS
60087
Renewable 31 December 2008



LINE TABLE		
LINE	BEARING	DISTANCE
L1	S32°58'43"W	41.84
RECORD	S32°58'43"W	41.84
L2	S07°29'22"E	19.40
RECORD	S07°29'22"E	19.40
L3	S56°06'23"W	23.47
RECORD	S56°06'23"W	23.47
L4	S31°23'31"W	73.62
RECORD	S31°23'31"W	73.62
L5	S00°49'45"E	16.20
RECORD	S00°49'45"E	16.20
L6	S43°01'28"E	15.25
RECORD	S43°01'28"E	15.25
L7	S21°54'15"W	222.02
RECORD	S21°54'15"W	222.02
L8	S04°06'05"W	24.98
RECORD	S04°06'05"W	24.98
L9	S21°47'43"W	39.93
RECORD	S21°47'43"W	39.93
L10	S46°55'40"W	28.20
RECORD	S46°55'40"W	28.20
L11	S25°13'02"E	16.29
RECORD	S25°13'02"E	16.29
L12	S27°03'18"W	107.72
RECORD	S27°03'18"W	107.72
L13	S08°39'16"E	18.69
RECORD	S08°39'16"E	18.69
L14	S15°29'54"W	14.77
RECORD	S15°29'54"W	14.77
L15	S57°34'47"W	6.35
RECORD	S57°34'47"W	6.35

"RECORD"= DATA OF RECORD PER PT-2007-15.

By : MAGNESS LAND SURVEYING
PO BOX 1239
WILLAMINA, OREGON, 97396
Phone : 503-876-5874
Cell : 971-237-3413
E-Mail : magness5@viclink.com

ORCHARD LAIR PHASE 2

A SUBDIVISION LOCATED IN THE NE QUARTER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 2 WEST, WILLAMETTE MERIDIAN, BEING A PORTION OF THE RICHARD EVEREST D.L.C. NO. 52, CITY OF NEWBERG, YAMHILL COUNTY, OREGON.

DATE: 31 JULY 2007
CITY OF NEWBERG PLANNING FILE: SUB2-06-005

XX.XX'M = DISTANCE CALL TO MONUMENTS.
XX.XX'E = DISTANCE CALL TO EASEMENT LINE.

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N89°47'27"E	9.34
L2	N89°47'27"E	9.34
L27	N00°21'33"E	22.50'
L28	S00°21'33"W	22.50'

N TRUE S
Scale: 1"=30'

FOR CURVE TABLE SEE SHEET 5
FOR LEGEND SEE SHEET 6

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REGISTERED PROFESSIONAL LAND SURVEYOR
OREGON
July 9, 2001
NATHAN E. MAGNESS
60087
Renewable 31 December 2008

DONNA DRIVE
SAM PARRETT DRIVE
DORIS DRIVE
3RD STREET
PUBLIC ALLEY WAY
LAIR LANE
THOMPSON LANE

LOT 15 1,929. sq.ft. SEE NOTE NO.17
LOT 16 1,904. sq.ft. SEE NOTE NO.17
LOT 17 1,904. sq.ft. SEE NOTE NO.17
LOT 18 1,904. sq.ft. SEE NOTE NO.17
LOT 19 1,904. sq.ft. SEE NOTE NO.17
LOT 20 2,250. sq.ft. SEE NOTE NO.17
LOT 53 2,826. sq.ft. SEE NOTE NO.17
LOT 54 1,946. sq.ft. SEE NOTE NO.17
LOT 55 1,960. sq.ft. SEE NOTE NO.17
LOT 56 2,403. sq.ft. SEE NOTE NO.17
LOT 57 2,405. sq.ft. SEE NOTE NO.17
TRACT J 3,489. sq.ft. SEE NOTE 2
LOT 58 2,091. sq.ft.
LOT 59 2,044. sq.ft.
LOT 60 2,044. sq.ft.
LOT 61 2,044. sq.ft.
LOT 62 2,044. sq.ft.
LOT 63 2,044. sq.ft.
LOT 64 2,044. sq.ft.
LOT 65 2,044. sq.ft.
LOT 66 3,045. sq.ft.
LOT 67 2,162. sq.ft.
LOT 68 2,127. sq.ft.
LOT 69 2,127. sq.ft.
LOT 70 2,127. sq.ft.
LOT 71 2,127. sq.ft.
LOT 72 2,127. sq.ft.
LOT 73 2,127. sq.ft.
LOT 74 2,127. sq.ft.
LOT 75 2,127. sq.ft.
LOT 76 4,189. sq.ft.
LOT 77 3,081. sq.ft.
LOT 78 2,044. sq.ft.
LOT 79 2,044. sq.ft.
LOT 80 2,044. sq.ft.
LOT 81 2,044. sq.ft.
LOT 82 2,044. sq.ft.
LOT 83 2,044. sq.ft.
LOT 84 2,999. sq.ft.
LOT 85 3,050. sq.ft.
LOT 86 2,044. sq.ft.
LOT 87 2,044. sq.ft.
LOT 88 2,044. sq.ft.
LOT 89 2,044. sq.ft.
LOT 90 2,044. sq.ft.
LOT 91 2,044. sq.ft.
LOT 92 3,024. sq.ft.

#49

ORCHARD LAIR PHASE 2

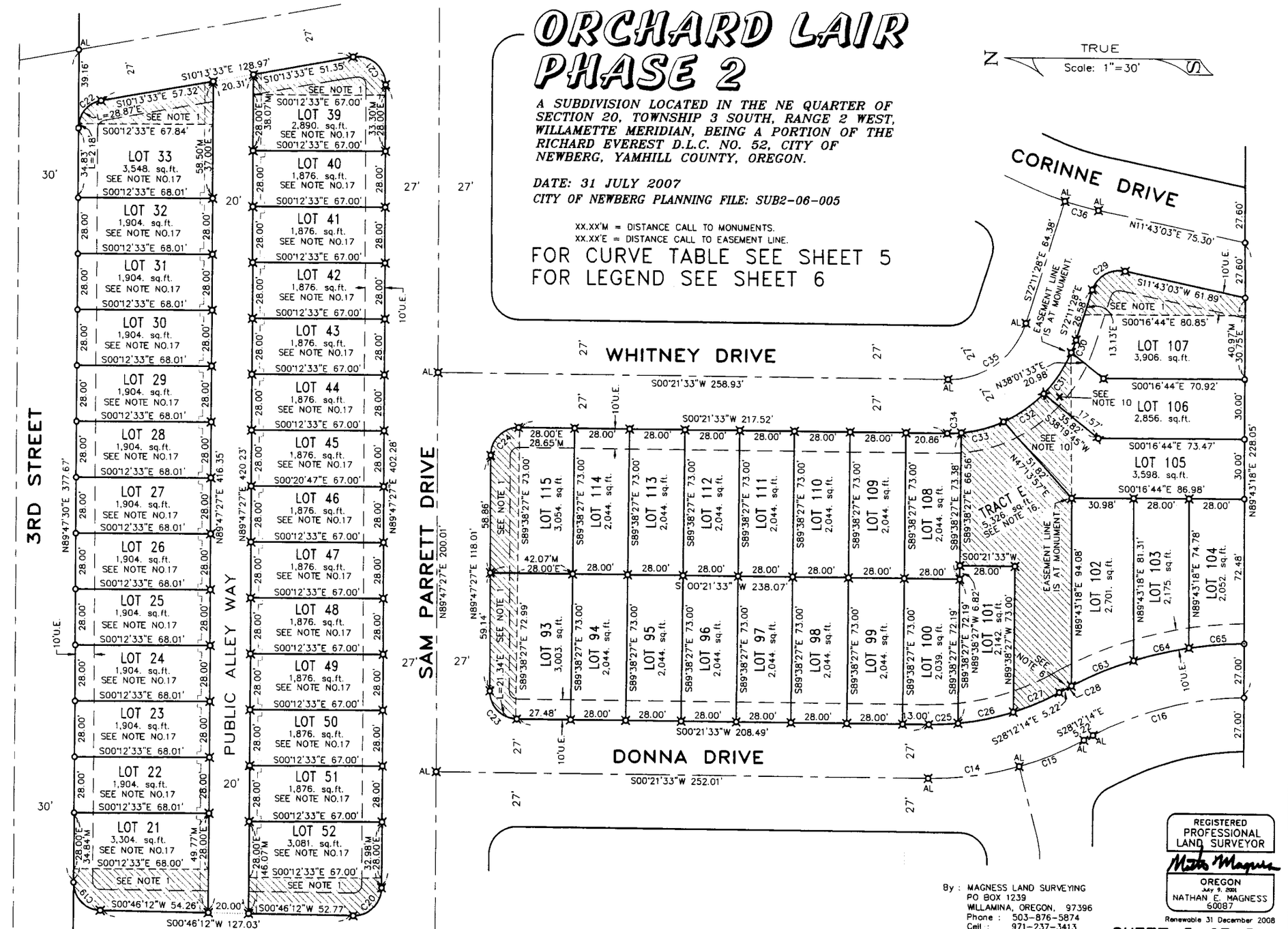
A SUBDIVISION LOCATED IN THE NE QUARTER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 2 WEST, WILLAMETTE MERIDIAN, BEING A PORTION OF THE RICHARD EVEREST D.L.C. NO. 52, CITY OF NEWBERG, YAMHILL COUNTY, OREGON.

DATE: 31 JULY 2007

CITY OF NEWBERG PLANNING FILE: SUB2-06-005

XX.XX'M = DISTANCE CALL TO MONUMENTS.
XX.XX'E = DISTANCE CALL TO EASEMENT LINE.

FOR CURVE TABLE SEE SHEET 5
FOR LEGEND SEE SHEET 6



REGISTERED PROFESSIONAL LAND SURVEYOR
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Renewable 31 December 2008

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FOR CURVE TABLE SEE SHEET 5
FOR LEGEND SEE SHEET 6

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DATE: 31 JULY 2007

CITY OF NEWBERG PLANNING FILE: SUB2-06-005

XX.XX'M = DISTANCE CALL TO MONUMENTS.

XX.XX'E = DISTANCE CALL TO EASEMENT LINE.

TWO CORNERS LAND IN CURB. SET REFERENCE IRON ROD S0°12'33"E 1.00 FOOT OF ACTUAL CORNER AT BOTH LOCATIONS.

TRUE
Scale: 1"=30'

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S32°58'43"W	41.84
L2	S07°29'22"E	19.40
L3	S56°06'23"W	23.47
L4	S31°23'31"W	73.62
L5	S00°49'45"E	16.20
L6	S43°01'28"E	15.25
L7	S21°54'15"W	222.02
L8	S04°06'05"W	24.98
L9	S21°47'43"W	39.93
L10	S46°55'40"W	28.20
L11	S25°13'02"E	16.29
L12	S27°03'18"W	107.72
L13	S08°39'16"E	18.69
L14	S15°29'54"W	14.77
L15	S57°34'47"W	6.35
L16	N89°47'27"E	9.34
L17	N89°47'27"E	9.34
L18	N21°37'22"E	81.49
L19	N18°14'42"E	55.37
L20	N31°23'28"E	83.96
L21	N25°17'31"E	25.47
L22	N34°10'17"E	35.22
L23	N00°12'33"W	12.50
L24	N89°47'27"E	18.67
L25	N00°12'33"W	12.50
L26	N89°47'27"E	22.66

REGISTERED PROFESSIONAL LAND SURVEYOR
OREGON
July 9, 2001
NATHAN E. MAGNESS
60087
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3RD STREET

PUBLIC ALLEY WAY

TRACT I
8,206. sq.ft.
SEE NOTE 16.

TRACT G
CONSERVATION TRACT
21,628 sq.ft.
SEE NOTE 16.

LOT 38
1,960. sq.ft.
SEE NOTE NO.17

LOT 37
1,960. sq.ft.
SEE NOTE NO.17

LOT 36
1,960. sq.ft.
SEE NOTE NO.17

LOT 35
1,960. sq.ft.
SEE NOTE NO.17

LOT 34
1,960. sq.ft.
SEE NOTE NO.17

TRACT H
1,560. sq.ft.
SEE NOTE 16&17

LOT 124
2,180. sq.ft.

LOT 125
2,075. sq.ft.

LOT 126
2,630. sq.ft.

LOT 127
2,765. sq.ft.

LOT 128
2,549. sq.ft.

LOT 129
2,660. sq.ft.

LOT 130
2,045. sq.ft.

LOT 131
2,046. sq.ft.

LOT 132
2,046. sq.ft.

LOT 133
2,046. sq.ft.

LOT 134
2,046. sq.ft.

LOT 135
2,046. sq.ft.

LOT 136
2,046. sq.ft.

LOT 137
2,046. sq.ft.

LOT 138
2,044. sq.ft.

LOT 139
2,497. sq.ft.

TRACT F
2,665. sq.ft.
SEE NOTE 16

CORINNE DRIVE

SAM PARRETT DRIVE

WHITNEY DRIVE

LOT 123
3,764 sq.ft.

LOT 122
2,264 sq.ft.

LOT 121
2,256 sq.ft.

LOT 120
2,729 sq.ft.

LOT 119
2,044. sq.ft.

LOT 118
2,044. sq.ft.

LOT 117
2,044. sq.ft.

LOT 116
2,044. sq.ft.

TRACT K
6,615. sq.ft.
SEE NOTE 16.

CURVE PNT NOT SET, SEE NOTE 7

SEE NOTE 11

SEE NOTE 15.

ORCHARD LAIR PHASE 2

A SUBDIVISION LOCATED IN THE NE QUARTER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 2 WEST, WILLAMETTE MERIDIAN, BEING A PORTION OF THE RICHARD EVEREST D.L.C. NO. 52, CITY OF NEWBERG, YAMHILL COUNTY, OREGON.

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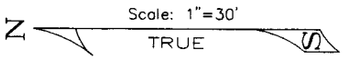
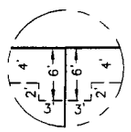


DETAIL "A"

DETAIL SCALE: 1"=30'



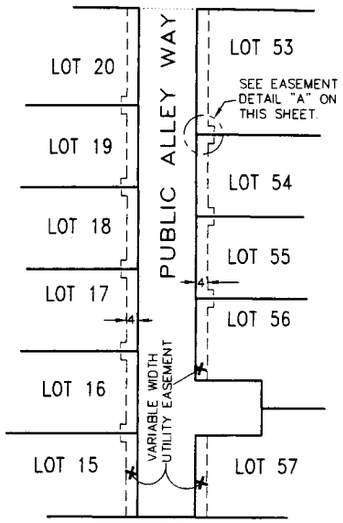
EASEMENT DETAIL AT LOT CORNERS

SCALE: 1"=10'

TYPICAL AT ALL LOT CORNERS INDICATED BY DRAWINGS ON THIS SHEET.

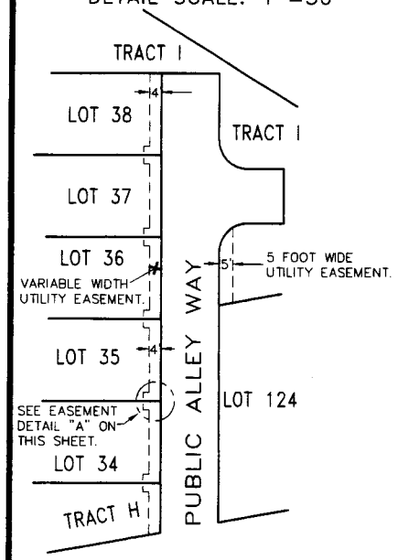
DETAIL "B"

DETAIL SCALE: 1"=30'



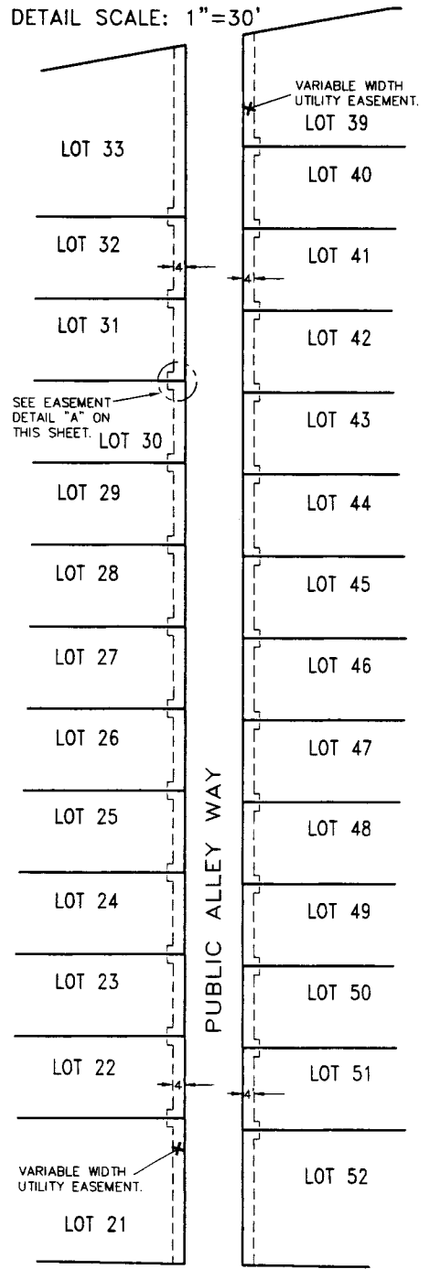
DETAIL "C"

DETAIL SCALE: 1"=30'



DETAIL "D"

DETAIL SCALE: 1"=30'



CURVE TABLE

CURVE	RADIUS	LENGTH	DELTA ANGLE	CHORD BEARING	CHORD DISTANCE
C1	14.00	22.23	90°58'42"	N44°43'09"W	19.97
C2	14.00	21.75	89°01'16"	N45°16'49"E	19.63
C3	68.00	9.69	8°09'58"	S85°42'28"W	9.68
C4	68.00	10.58	8°54'59"	S77°10'00"W	10.57
C5	68.00	58.53	49°19'08"	S48°02'56"W	56.74
C6	68.00	27.33	23°01'49"	S11°52'28"W	27.15
C7	14.00	21.84	89°21'43"	N45°02'24"E	19.69
C8	41.00	64.00	89°25'54"	S45°04'30"W	57.69
C9	14.00	21.85	89°25'54"	S45°04'30"W	19.70
C10	14.00	22.13	90°34'06"	N44°55'30"W	19.90
C11	14.00	21.84	89°21'43"	N45°02'24"E	19.69
C12	14.00	22.15	90°38'17"	S44°57'36"E	19.91
C13	50.00	12.76	14°37'11"	N82°24'40"E	12.72
C14	166.00	47.03	16°14'02"	S07°45'28"E	46.88
C15	166.00	35.72	12°19'46"	S22°02'22"E	35.65
C16	166.00	79.16	27°19'16"	N14°32'37"W	78.41
C17	139.00	66.00	27°12'13"	N14°36'08"W	65.38
C18	14.00	15.17	62°04'30"	N59°14'29"W	14.44
C19	14.00	21.75	89°01'18"	S45°16'51"W	19.63
C20	14.00	22.23	90°58'44"	S44°43'11"E	19.97
C21	14.00	24.44	100°01'01"	N39°46'57"E	21.45
C22	14.00	19.54	79°58'57"	N50°13'02"W	17.99
C23	14.00	21.85	89°25'54"	S45°04'30"W	19.70
C24	14.00	22.13	90°34'06"	N44°55'30"W	19.90
C25	139.00	15.03	6°11'37"	S02°44'16"E	15.02
C26	139.00	28.69	11°49'30"	S11°44'49"E	28.64
C27	139.00	25.58	10°32'40"	S22°55'55"E	25.54
C28	193.00	1.86	0°33'11"	N27°55'39"W	1.86
C29	14.00	20.50	83°54'30"	N30°14'13"W	18.72
C30	193.00	28.78	8°32'37"	N13°25'05"W	28.75
C31	68.00	25.14	21°11'06"	S55°29'25"E	25.00
C32	68.00	25.14	21°11'06"	S34°48'18"E	25.00
C33	68.00	22.01	18°32'49"	S14°56'21"E	21.92
C34	68.00	7.15	6°01'30"	S02°39'12"E	7.15
C35	41.00	51.92	72°33'01"	S35°54'57"E	48.52
C36	166.00	17.65	6°05'30"	S14°45'47"W	17.64
C37	193.00	33.79	10°01'52"	N22°59'17"W	33.75
C38	193.00	28.89	8°34'33"	N13°41'05"W	28.86
C39	193.00	28.96	8°35'54"	N05°05'51"W	28.94
C40	14.00	24.44	100°01'03"	S39°46'58"W	21.45
C41	193.00	35.04	10°24'11"	N05°01'28"W	34.99
C42	193.00	29.62	8°47'32"	N04°34'24"E	29.59
C43	193.00	30.09	8°55'58"	N13°26'09"E	30.06
C44	193.00	20.21	5°59'54"	N20°54'05"E	20.20
C45	139.00	14.78	6°05'32"	S20°51'16"W	14.77
C46	139.00	14.78	6°05'28"	S14°45'46"W	14.77
C47	266.00	11.76	2°31'56"	N08°57'35"W	11.75
C48	266.00	39.61	8°31'56"	N03°25'40"W	39.57
C49	266.00	40.24	8°40'07"	N05°10'22"E	40.21
C50	266.00	42.80	9°13'07"	N14°06'58"E	42.75
C51	266.00	24.03	5°10'30"	N21°18'47"E	24.02
C52	14.00	20.50	83°54'30"	N65°51'17"E	18.72
C53	14.00	17.73	72°33'01"	S35°54'57"E	16.57
C54	14.00	21.85	89°25'54"	S45°04'30"W	19.70
C55	14.00	22.60	92°29'04"	N43°58'00"W	20.22
C56	139.00	52.46	21°37'30"	N13°05'17"E	52.15
C57	166.00	17.65	6°05'30"	S20°51'17"W	17.64
C58	166.00	98.87	34°07'35"	N06°50'14"E	97.42
C59	10.00	15.71	90°00'00"	N45°12'33"W	14.14
C60	10.00	15.71	90°00'00"	N44°47'27"E	14.14
C61	266.00	29.38	6°19'42"	N04°00'09"E	29.36
C62	266.00	10.86	2°20'24"	N08°20'13"E	10.86
C63	193.00	33.55	9°57'40"	N22°40'14"W	33.51
C64	193.00	28.78	8°32'37"	N13°25'05"W	28.75
C65	193.00	28.12	8°20'52"	N04°58'20"W	28.09

REGISTERED PROFESSIONAL LAND SURVEYOR

OREGON
July 9, 2001
NATHAN E. MAGNESS
60087
Renewable 31 December 2008

By : MAGNESS LAND SURVEYING
PO BOX 1239
WILLAMINA, OREGON, 97396
Phone : 503-876-5874
Cell : 971-237-3413
E-Mail : magness5@viclink.com

ORCHARD LAIR PHASE 2

A SUBDIVISION LOCATED IN THE NE QUARTER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 2 WEST, WILLAMETTE MERIDIAN, BEING A PORTION OF THE RICHARD EVEREST D.L.C. NO. 52, CITY OF NEWBERG, YAMHILL COUNTY, OREGON.

DATE: 31 JULY 2007

CITY OF NEWBERG PLANNING FILE: SUB2-06-005

SURVEYOR'S CERTIFICATE

I, Nathan Magness, a Registered Professional Land Surveyor in the State of Oregon, do hereby certify that I have correctly surveyed and marked with proper monuments the lots and right of ways hereon shown as "ORCHARD LAIR PHASE 2", the boundary of which is described as follows:

BEGINNING at the INITIAL POINT, a 5/8" iron rod with a yellow plastic cap marked "SR DESIGN" set at the northeast corner of Parcel 2 of Partition Plat 2007-15, Yamhill County Plat Records; thence South 32°58'43" West 41.84 feet to an angle point in the east line of said Parcel 2; thence South 07°29'22" East 19.40 feet to an angle point in the east line of said Parcel 2; thence South 56°06'23" West 23.47 feet to an angle point in the east line of said Parcel 2; thence South 31°23'31" West 73.62 feet to an angle point in the east line of said Parcel 2; thence South 00°49'45" East 16.20 feet to an angle point in the east line of said Parcel 2; thence South 43°01'28" East 15.25 feet to an angle point in the east line of said Parcel 2; thence South 21°54'15" West 222.02 feet to an angle point in the east line of said Parcel 2; thence South 04°06'05" West 24.98 feet to an angle point in the east line of said Parcel 2; thence South 21°47'43" West 39.93 feet to an angle point in the east line of said Parcel 2; thence South 46°55'40" West 28.20 feet to an angle point in the east line of said Parcel 2; thence South 25°13'02" East 16.29 feet to an angle point in the east line of said Parcel 2; thence South 27°03'18" West 107.72 feet to an angle point in the east line of said Parcel 2; thence South 08°39'16" East 18.69 feet to an angle point in the east line of said Parcel 2; thence South 15°29'54" West 14.77 feet to an angle point in the east line of said Parcel 2; thence South 57°34'47" West 6.35 feet to the southeast corner of said Parcel 2; thence South 89°43'18" West 455.70 feet to the southwest corner of said Parcel 2, said point also being the southeast corner of Parcel 1 of Partition Plat 2007-15; thence South 89°43'18" West 252.85 feet to the southwest corner of said Parcel 1; thence North 0°21'36" East 591.67 feet to the northwest corner of said Parcel 1; thence North 89°47'30" East 248.93 feet to the northeast corner of said Parcel 1; thence North 89°47'30" East 691.92 feet to the POINT OF BEGINNING, the described perimeter containing 484,200 square feet, more or less.

Nathan Magness

NATHAN MAGNESS, PLS 60087
MAGNESS LAND SURVEYING
PO BOX 1239
WILLAMINA, OREGON, 97396.
PH: 503-876-5874

Legend

- ● = MONUMENT FOUND, FLUSH TO 0.2' DOWN, IN GOOD CONDITION UNLESS OTHERWISE STATED. ORIGIN STATED IF KNOWN.
- o = SET 5/8" IRON ROD WITH YELLOW PLASTIC CAP MARKED "MAGNESS PLS 60087"
- ⌑ = SET 5/8" IRON ROD WITH YELLOW PLASTIC CAP MARKED "MAGNESS PLS 60087" **TO BE POST-MONUMENTED**
- (_____) = DATA OF RECORD
- — — — — = UTILITY EASEMENT
- - - - - - - - = NEW EASEMENT, SEE NOTES ON SHEET 6.
- ---------- = EXISTING EASEMENT.
- XX.XX'M = DISTANCE CALL TO MONUMENTS.
- XX.XX'E = DISTANCE CALL TO EASEMENT LINE.
- U.E. = UTILITY EASEMENT
- AL = MONUMENT HAS AN ALUMINUM CAP
- ////// = MISCELLANEOUS EASEMENT HATCHING
- C.C.& R.. = COVENANTS, CONDITIONS & RESTRICTIONS.
- H.O.A. = HOME OWNERS ASSOCIATION

Narrative

The purpose of this survey is to subdivide Parcels 1 and 2 of Yamhill County Partition Plat 2007-15. The Basis of Bearings is per said PT-2007-15 and is established by measurements to monuments along the north line of Parcel 1 and 2 of said partition. All exterior boundaries of said Parcel 1 and 2 are held as established in Partition Plat 2007-15. The common line connecting said Parcel 1 and Parcel 2 will be eliminated in the platting of this subdivision as I am converting both parcels into "ORCHARD LAIR PHASE 2" subdivision.

REGISTERED PROFESSIONAL LAND SURVEYOR

Nathan Magness

OREGON
July 9, 2001
NATHAN E. MAGNESS
60087

Renewable 31 December 2008

By : MAGNESS LAND SURVEYING
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WILLAMINA, OREGON, 97396
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NOTES

1) Landscaping Easements for the benefit of the Orchard Lair Phase 2 Home Owners Association, See C.C.& R.'s for maintenance details.
This easement affects Lots 56, 57, 66, 84, 85, 77, 92, 76 on Sheet 2.
This easement affects Lots 33, 39, 21, 52, 93, 115 , 107 on Sheet 3.
This easement affects Lots 120 & 123 on Sheet 4 of 7.

2) An access easement for benefit of lots 56 & 57. See Sheet 2.

3) An access easement for benefit of lots 55 & 54. See Sheet 2.

4) A Utility Easement and Landscaping easement. The landscaping easement is for the benefit of the Orchard Lair Phase 2 Home Owners Association, See C.C.& R.'s for maintenance details.
Easement affects lots 20 & 53 on Sheet 2.

5) The lots and tracts that are directly adjacent to public streets are subject to a 10-foot-wide utility easement along said adjacent side of lot or tract. The east side of Lots 20 & 53 (on Sheet 2) are the only exception to this note, but are still subject to a utility easement that has an irregular shape.

6) The curve point in this location on Tract E will not be monumented to avoid possible confusion during building construction. Only the lot corner will be monumented.

7) The curve point in this location on Lot 127 will not be monumented to avoid possible confusion during building construction. Only the lot corner will be monumented.

8) A Triangular public access easement across Lots 56 & 57. The easement measures 6-foot by 6-foot by 8.53-foot. The 6-foot-long sides are along the lot lines.

9) The curve point in this location on Lot 58 will not be monumented to avoid possible confusion during building construction. Only the lot corner will be monumented.

10) A utility easement across Lots 105 & 106, see Sheet 3.

11) An existing 15-Foot-Wide Public Utility & Access Easement per Partition Plat 2007-15.

12) This subdivision is subject to Covenants, Conditions and Restrictions recorded in Instrument No. 200721382, Yamhill County Deed Records.

13) All lots and tracts of this subdivision are subject to an Avigation Easement. as recorded in Inst# 200718962 Yamhill County Deed Records.

14) A 15-foot-wide Public Storm Drain Easement that affects Lots 126, 127, Tract I & Tract G. See Sheet 4.

15) A 10-foot-wide Landscaping Easement along the West side of Lot 120. The easement is for the benefit of the Orchard Lair Phase 2 Home Owners Association, See C.C.& R.'s for maintenance details. See Sheet 4.

16) USE OF TRACTS E THROUGH K.

Tracts H, I, J are being conveyed to the H.O.A. and access is limited to the H.O.A. for landscape maintenance purposes only. The only exception being where access is provided by other easements.

All of Tract K is being conveyed to the H.O.A.. The portion of Tract K that is east of Lots 116 through 119 is limited to access for H.O.A. landscape maintenance only. The portion of Tract K that is south of Lot 116 is subject to full access by H.O.A. members. See C.C.& R.'s for maintenance details.

Tracts E & F are being conveyed to the H.O.A. and are subject to full access by H.O.A. members. See C.C.& R.'s for maintenance details. Tracts E & F are also subject to a Utility Easement and a Public Access Easement across their entire area.

Tract G is being conveyed to the H.O.A. but access is limited to removal of invasive non-native plants, hazardous tree removal and planting of native trees and plants. See C.C.& R.'s for maintenance details.

17) Lots with this note are subject to a variable width utility easement along the alley. Information for these easements are shown on Sheet 5. This easement affects Lots 15 through 57 and Track H.

18) Placing or locating a building, structure or other obstruction on or in a utility easement is prohibited.

ORCHARD LAIR PHASE 2

A SUBDIVISION LOCATED IN THE NE QUARTER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 2 WEST, WILLAMETTE MERIDIAN, BEING A PORTION OF THE RICHARD EVEREST D.L.C. NO. 52, CITY OF NEWBERG, YAMHILL COUNTY, OREGON.

DATE: 31 JULY 2007

CITY OF NEWBERG PLANNING FILE: SUB2-06-005

APPROVALS :

Barton Brierley 8/28/2007
City of Newberg Date
Planning & Building Director
City of Newberg File: SUB2-06-005

Norma I. Alley 8/28/2007
City of Newberg Recorder Date

William A. Gille 9-27-07
Yamhill County Surveyor Date
for

David Lawson 9/26/07
Yamhill County Assessor Date

Pursuant to O.R.S. 92.095.
Taxes have been paid or bond posted to this
date: 6-30-2008
David Lawson
Yamhill County Tax Collector

Yamhill County Commissioner Date 9-26-07

Yamhill County Commissioner Date 9-27-07

Yamhill County Commissioner Date 9-26-07

OFFICIAL YAMHILL COUNTY RECORDS
JAN COLEMAN, COUNTY CLERK 200721380
$91.00
00262783200700213800070079
09/27/2007 04:07:24 PM
PR-PPR Cnt=1 Stn=2 ANITA
$70.00 $10.00 $11.00

I HEREBY CERTIFY THAT POST-MONUMENTATION OF THE INTERIOR MONUMENTS OF THIS PLAT WILL BE COMPLETED WITHIN 90 CALENDAR DAYS FOLLOWING COMPLETION OF PAVING IMPROVEMENTS OR TWO YEARS FOLLOWING THE PLAT RECORDATION, WHICHEVER OCCURS FIRST, IN ACCORDANCE WITH O.R.S. 92.060.

Nathan Magness
NATHAN MAGNESS, PLS 60087

DECLARATION

KNOW ALL MEN BY THESE PRESENTS that THIRD STREET DEVELOPMENT, an Oregon 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. 2006-25031 & 2006-25974, Yamhill County Deed Records, of the lands represented on the attached map and more particularly described in the Surveyors Certificate and have caused said lands to be surveyed and platted into lots, tracts and street right of ways and easements as shown and noted on the attached map, in accordance with the provision of the respective O.R.S. and the standards of the City of Newberg, to be dedicated as "ORCHARD LAIR PHASE 2". We the undersigned do hereby dedicate for the public use forever all street rights of ways and easements for the purposes shown and noted on the attached map and donate all common improvements to the public. Tracts E, F, G, H, I, J & K are hereby conveyed to "ORCHARD LAIR PHASE 2 HOMEOWNERS ASSOCIATION", a duly created Home Owners Assocation which is

recorded in Instrument No. 2007-[redacted]2383
Yamhill County Deed & Mortgage Records.

MARC WILLCUTS, MEMBER
THIRD STREET DEVELOPMENT, LLC.

Jodie Hoogendam
Notary Public SIGNATURE
Jodie Hoogendam
Notary Public – Oregon (print name)
Commission Number: 406098
My Commission Expires: 5/27/10

STATE OF OREGON)
)S.S.
COUNTY OF YAMHILL)

On this day the 31st of July, 2007, did personally appear MARC WILLCUTS, who being duly sworn, did say that he is the identical person named in the foregoing instrument and that he executed said instrument on behalf of said corporation, freely and voluntarily.

OFFICIAL SEAL
JODIE HOOGENDAM
NOTARY PUBLIC - OREGON
COMMISSION NO. 406098
MY COMMISSION EXPIRES MAY 27, 2010

AFFIDAVIT OF CONSENT TO THE DECLARATION
BY: BANNER BANK, INC.
OFFICIAL YAMHILL COUNTY RECORDS
JAN COLEMAN, COUNTY CLERK 200721378
$26.00
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09/27/2007 04:04:05 PM
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$5.00 $10.00 $11.00

AFFIDAVIT OF CONSENT TO THE DECLARATION
BY: BANNER BANK, INC.
OFFICIAL YAMHILL COUNTY RECORDS
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09/27/2007 04:05:08 PM
PR-AFFPR Cnt=1 Stn=2 ANITA
$5.00 $10.00 $11.00

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