DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR ROWLAND CREEK ESTATES

This DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR ROWLAND CREEK ESTATES ("Declaration") is made by Bruce Parker Construction Co., an Oregon corporation ("Declarant").

Declarant is the owner of all the real property and improvements thereon located in the City of Yamhill ("City"), State of Oregon, described in Exhibit A, which is attached hereto and incorporated herein by this reference (the "Property").

Declarant intends to develop the Property as a planned development which shall be called ROWLAND CREEK ESTATES (hereinafter "ROWLAND CREEK"). The development will have a total of 19 Lots. To establish the planned development project of ROWLAND CREEK, Declarant desires to impose these mutually beneficial covenants, conditions, restrictions, easements, assessments and liens on the Property under a comprehensive general plan of improvement and development for the benefit of all of the Owners.

Declarant has deemed it desirable for the efficient preservation of the values and amenities in ROWLAND CREEK to create ROWLAND CREEK ESTATES HOMEOWNERS’ ASSOCIATION, to which will be delegated and assigned the powers and authority to own and maintain Tract A, and administer and enforce the covenants, conditions, and restrictions of this Declaration, and collect and disburse any assessments and charges hereafter created.

NOW, THEREFORE, the Declarant declares that the Property described in Exhibit A shall be held, transferred, sold, conveyed and occupied subject to the Oregon Planned Community Act ORS 94.550 et seq., as may be amended from time to time, and to the following covenants, conditions, restrictions, easements, charges, and liens which shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in the Property or any part thereof and shall inure to the benefit of the Association and of each Lot Owner (hereinafter defined).
ARTICLE 1
DEFINITIONS

1.1 "Articles" shall mean the Articles of Incorporation for the nonprofit corporation, Rowland Creek Estates Homeowners' Association, as filed with the Oregon Secretary of State.

1.2 "Association" shall mean and refer to Rowland Creek Estates Homeowners' Association, its successors and assigns.

1.3 "Board" or "Board of Directors" shall mean the Board of Directors of Rowland Creek Estates Homeowners' Association.

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

1.5 "City" shall mean the City of Yamhill.

1.6 "Declarant" shall mean and refer to Bruce Parker Construction Co., its successors or assigns, or any successor or assign to all remainder of its interest in the development of the Property.

1.7 "Declaration" shall mean the covenants, conditions, restrictions, and all other provisions set forth in this Declaration of Covenants, Conditions and Restrictions for Rowland Creek Estates.

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

1.9 "Lot" shall mean and refer to each and any lot of ROWLAND CREEK. However, "Lot" shall not include Tract A.

1.10 "Members" shall mean and refer to the Owners of Lots in ROWLAND CREEK and who are members of the Rowland Creek Estates Homeowners' Association.

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

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

1.13 "Plat" shall mean and refer to the recorded plat of ROWLAND CREEK in Yamhill County, Oregon.

1.14 "Property" shall mean and refer to all real property and all improvements located on the Property subject to this Declaration.

1.15 "Rules and Regulations" shall mean and refer to the documents containing rules and
regulations and policies adopted by the Board of the Association as may be from time to time amended.

1.16 "Tract A" shall mean and refer to the parcel of land on the plat of the Property designated as Tract A.

ARTICLE 2
PROPERTY SUBJECT TO THIS DECLARATION

2.1 Development. The Property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the City of Yamhill, Oregon, and described in that certain Plat map entitled "ROWLAND CREEK", filed in the plat records of Yamhill County, Oregon. Declarant does not intend to build any improvements other than the improvements delineated on the Plats for ROWLAND CREEK.

ARTICLE 3
OWNERSHIP AND EASEMENTS

3.1 Ownership of Lots. Title to each Lot in ROWLAND CREEK shall be conveyed in fee to an Owner. If more than one person or entity owns an undivided interest in the same Lot, such persons or entities shall constitute one Owner.

3.2 Ownership of Tract A. Tract A shall be conveyed to the Association not later than sixty (60) days after Declarant no longer owns any Lot in ROWLAND CREEK. Nothing herein shall prevent the Declarant from conveying Tract A to the City of Yamhill, Yamhill County, or any governmental body or to the Association at an earlier time.

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

3.3.1 Easements on Plat. Tract A and Lots are subject to the easements and rights-of-way shown on the plat of ROWLAND CREEK and on any supplemental plat.

3.3.2 Common Wall Easements. Lots 21 through 49 have retaining walls on some boundary lines. The owner of each lot that has such a boundary line wall (hereafter "Wall") has an easement to go upon the adjoining lot that shares the Wall (hereafter the "Neighboring Lot") for the purpose of maintaining and repairing the Wall. Each lot that has a Wall is subject to an easement held by the owner of the Neighboring Lot to go upon the lot for the purpose of maintaining and repairing the Wall. These easements are perpetual. The cost of repair, maintenance and replacement of the Wall shall be shared equally by the owners whose properties adjoin the Wall being maintained, repaired or replaced, except that the owner whose action caused the necessity for the repair or replacement shall be solely responsible for the cost thereof.
ARTICLE 4
LOTS AND HOMES

4.1 **Residential Use.** Lots shall only be used for residential purposes. Except with the consent of the Board of Directors of the Association, no trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Lot or in any Home, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business be kept or stored on any Lot or any Home. Nothing in this Section 4.1 shall be deemed to prohibit (a) activities related to the sale or rental of residences, (b) the right of Declarant or any contractor or homebuilder to construct residences on any Lot, to store construction materials and equipment on such Lots in the normal course of construction, and to use any residence as a sales office or model home for purposes of sales in ROWLAND CREEK, and (c) the right of the Owner of a Lot to maintain a professional or personal library, keep a personal business or professional records or accounts, handle a personal business or professional telephone calls or confer with business or professional associates, clients or customers, in the residence, provided that such clients, customers, vendors, and employees do not regularly visit the home office. The Board of Directors shall not approve commercial activities otherwise prohibited by this Section 4.1 unless the Board of Directors determines that only normal residential activities would be observable outside of the residence and that the activities would not be in violation of applicable local government ordinances.

4.2 **Floor Area.** The square footage area of a Home shall not be less than 1600 square feet, with a minimum of 1300 square feet on the main floor. Total square footage shall be exclusive of unfinished basements, attics, patios, decks, porches, balconies and garages.

4.3 **Lot Coverage.** The total square footage of a Lot that may be covered by any type of structure may not be any more than permitted by applicable zoning ordinances and the variances allowed by the original land use approval for the Property.

4.4 **Mailboxes.** Mailboxes will be gang type supplied and/or approved by the United States Postal Service. No individual mailboxes are allowed.

4.5 **Setbacks.** All Homes within ROWLAND CREEK shall comply with City setback requirements established or permitted by the City.

4.6 **Roofing.** Roofing material shall be asphalt fiberglass staggered shingle of high density to create a dimensional appearance.

4.7 **Siding.** Double wall construction is required on all four (4) sides.

4.8 **Construction Activities and Noise.** Construction activities and noise shall be subject to the requirements of state and local government and such other rules as adopted by the Association.

4.9 **Landscaping.** Initial landscaping on front yards of all lots and street side yards of corner lots shall be performed by a professional landscaper, to include sod and plant material. Each building contract shall include front yard landscaping for all lots and street side yard landscaping for corner lots and shall be installed prior to occupancy. Each Owner shall maintain the landscaping and yard area in an attractive manner and free from pests and diseases, shall provide for timely
replacement of lost plant life as well as the trimming and pruning of plant material to prevent an overgrown look. Yard and laws must be kept free of weeds, watered and fertilized as needed to keep the vegetation green.

4.10 **Maintenance of Lots and Homes.** Each Owner shall maintain his/her Lot and all improvements thereon in a clean and attractive condition, in good repair and in such fashion as not to create a fire or environmental hazard. Such maintenance shall include, without limitation, painting, repair, replacement and care for roofs, windows, doors, garage doors, gutters, downspouts, exterior building surfaces, landscaping, street trees as required by the City or other governing jurisdiction, driveways, sidewalks adjoining public streets, parking areas, walks and other exterior improvements and glass surfaces. In addition, each Owner shall keep all shrubs, trees, grass and plantings of every kind on his/her Lot or within the street right-of-way adjacent thereto neatly trimmed, irrigated, properly cultivated and free of trash, weeds and other unsightly material. Damage caused by fire, flood, storm, earthquake, riot, vandalism, or other causes shall likewise be the responsibility of each Owner and shall be restored within a reasonable period of time.

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

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

4.13 **Parking.** All boats, trailers, motor homes and recreational vehicles shall be parked behind the front of the house.

4.14 **Vehicles in Disrepair.** No Owner shall permit any vehicle which is in a state of disrepair (e.g. including but not limited to, fails to run, cannot be moved under its own power in current condition, flat tires, unpainted or body parts missing) or which is not currently licensed, to be abandoned or to remain parked upon any Lot or on Tract A or on any street for a period in excess of seven (7) days.

4.15 **Signs.** No signs shall be erected or maintained on any Lot except that not more than one (1) "For Sale" or "For Rent" sign placed by the Owner, Declarant or by a licensed real estate agent, not exceeding five square feet, may be temporarily displayed on any Lot. The restrictions contained in this Section 4.14 shall not prohibit the temporary placement of "political" signs on any Lot by the Owner or Occupant.

4.16 **Rubbish and Trash.** No Lot or part of Tract A 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 proper disposal and out of public view. Yard rakings, dirt and. other material resulting from landscaping work shall not be dumped onto streets, Tract A or any other Lots.
4.17 Damage or Destruction to Home and/or Lot. If all or any portion of a Lot or Home is damaged by fire or other casualty, the Owner shall either (i) restore the damaged improvements or (ii) remove all damaged improvements, including foundations, and leave the Lot in a clean and safe condition. Any restoration proceeding under (i) above must be performed so that the improvements are in substantially the same condition in which they existed prior to the damage. The Owner must commence such work within sixty (60) days after the damage occurs and must complete the work within six (6) months thereafter.

4.18 Ordinances and Regulations. The standards and restrictions set forth in this Article 4 shall be the minimum required. To the extent that local governmental ordinances and regulations are more restrictive or provide for a higher or different standard, such local governmental ordinances and regulations shall prevail.

4.19 Activities of Declarant. This Article 4 shall not apply to the activities of the Declarant or its affiliates or their respective agents, employees, or contractors.

ARTICLE 5
TRACT A

5.1 Use. Use of Tract A is subject to the provisions of the Declaration, Bylaws, Articles and the Rules and Regulations adopted by the Board of Directors. There shall be no obstruction of any part of Tract A. Nothing shall be stored or kept in Tract A without the prior written consent of the Board of Directors. No alterations or additions to Tract A shall be permitted without the prior written approval by the Board of Directors.

5.2 Maintenance. The Association shall be responsible for maintenance of Tract A.

5.3 Transfer. The City shall have the right to purchase Tract A for $1.00.

5.4 Damage or Destruction. In the event any part of Tract A is damaged or destroyed by an Owner or any of Owner’s guests, Occupants, tenants, licensees, agents or members of Owner’s 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. The reasonable cost necessary for such repairs shall be a Reimbursement Assessment upon the Lot and against the Owner who caused or is responsible for such damage.

5.5 Wetland. Tract A is classified as a wetland by one or more governmental bodies or agencies. The following shall govern Tract A:

5.5.1 Control Over Wetlands. Until conveyance of these wetlands to the Association, the Declarant shall have complete control and possession of such area and the Association and the Owners shall refrain from going upon, using, dealing with or affecting these wetlands in any way.

5.5.2 Natural State; No Access. The wetlands must stay in their natural state and the Association and its Members, both before and after conveyance of these areas to the Association,
shall fully comply with all applicable laws and regulations concerning wetlands, whether such compliance requires action, forbearance or prevention. There will be no access to the wetland area except by the Association for maintenance purposes, if any, or by any governmental body having jurisdiction over the area.

ARTICLE 6
MEMBERSHIP IN THE ASSOCIATION

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

6.2 Proxy. Each Owner may cast his/her vote by written ballot or pursuant to a proxy executed by the Owner. An Owner may not revoke a proxy given pursuant to this Section 6.2 except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy shall not be valid if it is not dated or purports to be revocable without notice. A proxy shall terminate one (1) year after its date, unless the proxy specifies a shorter term.

6.3 Voting Rights. Each Owner, including the Declarant, shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote, and the total number of votes shall be equal to the total number of Lots. When more than one (1) person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but in no event will fractional voting be allowed. Fractional or split votes shall be disregarded, except for purposes of determining a quorum. The total number of votes shall be equal to the total number of Lots subjected to this Declaration, initially or through annexation.

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

ARTICLE 7
DECLARANT CONTROL

7.1 Interim Board and Officers. The Declarant hereby reserves administrative control of the Association. The Declarant, in its sole discretion, shall have the right to appoint and remove members of the interim Board of Directors, which shall manage the affairs of the Association and which shall be invested with all powers and rights of the Board of Directors. The interim Board shall consist of from one (1) to three (3) members.

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

7.2.1 Optional Turnover. At such earlier time as Declarant elects in writing to terminate its administrative control; or

7.2.2 Latest Date. When Declarant no longer owns any lots in ROWLAND CREEK, but not later than 20 years from the date of this Declaration.

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

ARTICLE 8
DECLARANT’S SPECIAL RIGHTS

8.1 General. Declarant is undertaking the work of developing Lots and other improvements within ROWLAND CREEK. The completion of the development work and the marketing and sale of the Lots is essential to the establishment and welfare of the Property and the Additional Property as a residential community. Until the Homes on all Lots on the Property have been constructed, fully completed and sold, with respect to Tract A and each Lot on the Property, the Declarant shall have the special rights set forth in this Article 8.

8.2 Marketing Rights. Declarant shall have the right to maintain a sales office and model on one or more of the Lots which the Declarant owns. The Declarant and prospective purchasers and their agents shall have the right to use and occupy the sales office and models during reasonable hours any day of the week. The Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the Property.

ARTICLE 9
FUNDS AND ASSESSMENTS

9.1 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the administration and operation of the Association and to promote the recreation, health, safety, aesthetics and welfare of the Owners and Occupants of ROWLAND CREEK and for the improvement, operation and maintenance of Tract A and those areas for which the Association has maintenance obligations.

9.2 Covenants to Pay. Declarant and each Owner covenant and agree to pay the Association the assessments and any additional charges levied pursuant to this Declaration or the Bylaws.

9.2.1 Funds Held in Trust. The Assessments collected by the Association shall be held by the Association for and on behalf of each Owner and shall be used solely for the administration of the Association and the operation, care and maintenance of ROWLAND CREEK as provided in this Declaration, including maintenance of Tract A. The Assessments are the property of the Association and are not refundable to Owners or Lots. Upon the sale or transfer of any Lot, the Owner’s interest in the funds shall be deemed automatically transferred to the successor in
interest of such Owner.

9.2.2 **Offsets.** No offsets against any assessment shall be permitted for any reason including, without limitation, any claim that the Association is not properly discharging its duties.

9.3 **Basis of Assessment/Commencement of Assessments.** The Declarant shall pay all common expenses of the Association until the Lots are assessed for common expenses. The amount and date of commencement of the initial annual assessment to Owners other than the Declarant shall be determined by the Declarant. Assessments are to be levied against all Lots whether or not such Lots have been improved with a completed Home; provided, however, the Declarant shall be exempt from paying the operation portion of the assessments on all Lots owned by it. The Declarant may defer payment of assessments for a Lot until the Lot is conveyed to a third person. However, the Declarant may not defer payment of the assessment beyond the date the Declarant turns over administrative control to the Association. The assessment shall thereafter be subject to review by the Board of Directors.

9.4 **Annual Assessments.** Annual assessments for each fiscal year shall be established when the Board approves the budget for that fiscal year. The initial assessment and the implementation thereof shall be determined by the Declarant and shall be prorated on a monthly basis. For prospective purposes, any portion of a month shall count as a full month. Annual assessments shall be levied on a fiscal year basis. The fiscal year shall be the calendar year unless another year is adopted by vote of the Association members. Unless otherwise specified by the Board, annual assessments shall be due and payable on the first day of each calendar year during the term of this Declaration.

9.4.1 **Budgeting.** Regardless of the number of Members or the amount of assets of the Association, each year the Board shall prepare, approve and make available to each Member a pro forma operating statement (budget) containing: (i) estimated revenue and expenses; (ii) the amount of the total cash reserves of the Association currently available; and (iii) a general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray costs. 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.

9.4.2 **Allocation of Assessments/Profits.** Except as provided below, the total amount in the budget shall be charged equally against all Lots as Annual Assessments. Any profits derived by the Association shall be for the sole benefit of the Association. Owners shall have no rights to the profits of the Association, if any.

9.4.3 **Nonwaiver of Assessments.** If before the expiration of any fiscal year the Association fails to fix annual assessments for the next fiscal year, the annual assessments established for the preceding year shall continue until a new annual assessment is fixed.

9.5 **Special Assessments.** The Board of Directors shall have the power to levy special assessments against an Owner or all Owners in the following manner for the following purposes:
9.5.1 Correct Deficit. To correct a deficit in the operating budget, by vote of a majority of the Board;

9.5.2 Special Obligations of an Owner. To collect amounts due to the Association from an Owner for breach of the Owner's obligations under the Declaration, the Bylaws or the Rules and Regulations, by vote of a majority of the Board;

9.5.3 Repairs. To make repairs or renovations if sufficient funds are not available from the operating budget or replacement reserve accounts, by vote of a majority of the Board; or

9.5.4 Capital Improvements. To make capital expenditures for acquisitions, additions or improvements in excess of $10,000.00, by vote of at least seventy-five percent (75%) of all votes allocated to the Lots.

9.5.5 Reimbursement Assessments. The Association shall levy a Reimbursement Assessment against any Owner and the Owner's Lot if a failure to comply with the Declaration, Bylaws or any Rules and Regulations has (i) necessitated an expenditure of monies by the Association to bring the Owner into compliance or (ii) resulted in the imposition of a fine or penalty. A Reimbursement Assessment shall be due and payable to the Association levied. A Reimbursement Assessment shall not be levied by the Association until after a notice and an opportunity for a hearing has been given and:

(a) the hearing has been held;

(b) the Owner declines in writing to appear at the hearing; or

(c) the time set for the hearing has passed and the Owner failed to appear. (An Owner may request a different hearing date and the Board shall not unreasonably deny such request.)

If a notice has been previously given, and the hearing has already been held or waived (in writing or by the Owner failing to appear) for the violation resulting in the Reimbursement Assessment, no additional notice and hearing is required prior to levying the Reimbursement Assessment.

9.6 Accounts.

9.6.1 Types of Accounts. Assessments collected by the Association shall be deposited into at least two (2) separate accounts with a bank, which accounts shall be clearly designated as (i) the Current Operating Account and (ii) the Reserve Account. The Board shall deposit those portions of the assessments collected for current maintenance and operation into the Current Operating Account and shall deposit those portions of the assessments collected as reserves for replacement and deferred maintenance of capital improvements into the Reserve Account.

9.6.2 Reserve Account. The Declarant shall establish a Reserve Account in the name of the Association which shall be kept separate from all other funds in the Association. The Association shall pay out of the Reserve Account only those costs that are attributable to the maintenance, repair or replacement of items that normally requires replacement, in whole or in part, within three (3) to thirty (30) years and not for regular or periodic maintenance and expenses. No funds collected for the Reserve Account may be used for ordinary current maintenance and
operation purposes.

9.6.2.1 Loan From Reserve Account. After the Declarant has turned over administrative control to the Association, the Board of Directors may borrow funds from the Reserve Account to meet high seasonal demands on the Association's regular operating fund or to meet other temporary expenses. Funds borrowed to meet high seasonal demands or temporary expenses under this Subsection must be repaid from special assessment or maintenance fees within six (6) months of the date on which such funds are borrowed.

9.6.2.2 Investment of Reserve Account. Nothing in this Section 9.6 prohibits the prudent investment of Reserve Account funds, subject to any constraints imposed by the Board of Directors of the Association, the Bylaws or the Rules and Regulations.

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

9.6.3 Current Operating Account. All other costs may be paid from the Current Operating Account.

9.7 Default in Payment of Assessments, Enforcement of Liens.

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

9.7.2 Association Lien. At any time any assessment (of any type provided for by this Declaration or the Bylaws) or installment thereof is delinquent, the Association, by and through its Board or any management agent, may file a notice of lien in the deed records of Yamhill County, Oregon against the Lot in respect to which the delinquency pertains. Once filed, such lien shall accumulate all future assessments or installments, interest, late fees, administrative charges, penalties, fines, attorneys' fees (whether or not suit or action is instituted) and other appropriate costs properly chargeable to the Owner by the Association, until such amounts are fully paid. Said lien may be foreclosed at any time, but not later than six (6) years after the latest lienable charge has been imposed. The lien of the Association shall be superior to all other liens and encumbrances except property taxes and assessments, any first mortgage, deed of trust or land sale contact recorded previously to the Association's notice of lien.

9.7.3 Interest; Fines; Late Fees; Penalties. The Board, in its reasonable discretion, may from time to time adopt resolutions to set the rate of interest and to impose late fees, fines, administrative charges, and penalties on delinquent assessments or for violations of the provisions of this Declaration, the Bylaws, and the Rules and Regulations adopted by the Board. The adoption of such impositions shall be communicated to all Owners in writing not less than thirty (30) days
before the effective date by a notice mailed to the assessment billing address of such Owners. Such impositions shall be considered assessments which are lienable and collectible in the same manner as any other assessments; provided, however, fines or penalties for violation of this Declaration, the Bylaws or any rule and regulation, other than late fees, fines or interest arising from an Owner's failure to pay regular, special or Reimbursement Assessments, may not be imposed against an Owner or his/her Lot until such Owner is given an opportunity for a hearing as elsewhere provided herein.

9.7.4 Acceleration of Assessments. In the event an Owner is delinquent in payment of any assessment or installment on any assessment, the Association, upon not less than ten (10) days written notice to the Owner, may accelerate the due date of the full annual assessment for that fiscal year and all future installments of any special assessments.

9.7.5 Association's Right to Rents/Receiver. After foreclosure of its lien, the Association shall be entitled to collect reasonable rent from the occupant of the foreclosed lot.

ARTICLE 10
GENERAL PROVISIONS

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

10.2 Indemnification of Directors, Officers, Employees and Agents. The Association shall indemnify any Director, officer or member of a committee established under this Declaration or the Bylaws, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the fact that he/she is or was a Director, officer, employee or agent of the Association or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by 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 proceedings, had reasonable cause to believe his/her conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit or proceeding as and when incurred, subject only to
the right of the Association to reimbursement of such payment from such person, should it be proven at a later time that such person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a Director, officer, employee or agent shall have a right of contribution over and against all other Directors, officers, employees or agents and members of the Association who participated with or benefitted from the acts which created said liability.

10.3 Enforcement/Attorneys' Fees.

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

10.3.2 In the event suit or action is commenced to enforce the terms and provisions of this Declaration, the prevailing party shall be entitled to its attorneys' fees and costs in such suit or action to be fixed by the trial court, and in the event of an appeal, the cost of the appeal, together with reasonable attorneys' fees, to be set by the appellate court. In addition thereto, the Association shall be entitled to its reasonable attorneys' fees incurred in any enforcement activity taken to collect delinquent assessments, whether or not suit or action is filed.

10.3.3 In the event any Association Member shall violate any provision of this Declaration, any supplemental declaration, the Bylaws, or any rules or regulations adopted by the Association governing the use or improvement of Lots, then the Association, acting through the Board, may notify the Member in writing that the violations exist and that such Member, after affording the Member reasonable notice and opportunity to be heard, do any or all of the following: (a) suspend the Member's or Owner's voting rights for the period that the violations remain unabated, or for any period not to exceed sixty (60) days for any infraction of its rules and regulations, (b) impose reasonable fines upon the Member or Owner, in the manner and amount the Board deems appropriate in relation to the violation; (c) bring suit or action against such Member or Owner to enforce this Declaration; or (d) if the Association has notified the Member or Owner of required remedial or abatement action and the Member or Owner is unable or unwilling to comply with the Association's specific directives for remedy or abatement, or the Member or Owner and the Association cannot agree on a mutually acceptable solution within the framework and intent of this Declaration, within sixty (60) days after such notice, enter the offending Lot (which entry shall not subject the Association, the directors of the Association, or any agent or representative thereof to liability for trespass or any other claim for damages) and remove the cause of such violation, or alter, repair, or change the item which is in violation of this Declaration in such a manner as to make it conform thereto and assess such Member or Owner for the entire cost of the work done, provided that no items of construction shall be altered or demolished in the absence of judicial proceedings. Nothing in this Section, however, shall give the Association the right to deprive any Member access to and from such Member's Lot.

10.4 Severability. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall not affect the other provisions hereof and the same shall remain in full force and effect.
10.5 **Duration.** The covenants, conditions and restrictions of this Declaration shall run with and bind the land for a term of thirty-five (35) years from the date of this Declaration being recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless rescinded by a vote of at least ninety percent (90%) of the Owners and ninety percent (90%) of the first mortgagees; provided, however, amendments which do not constitute rescission of the planned community may be adopted as provided in the following Section; provided, further, that if any of the provisions of this Declaration would violate the rule against perpetuities or any other limitation on the duration of the provisions herein contained imposed by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law or, in the event the rule against perpetuities applies, until twenty-one (21) years after the death of the last survivor of the now living descendants of President George W. Bush.

10.6 **Amendment.** Except as otherwise provided in the above Section and the restrictions set forth elsewhere herein, this Declaration may be amended at any time, including within the first thirty-five (35) years by an instrument approved by not less than seventy-five percent (75%) of the total votes of each class of Members that are eligible to vote. Any amendment must be executed, recorded and certified as provided by law; provided, however, that no amendment of this Declaration shall effect an amendment of the Bylaws or Articles without compliance with the provisions of such documents, and the Oregon Nonprofit Corporation Act; provided further, no amendment affecting any other right of the Declarant herein contained may be effected without the express written consent of the Declarant or its successors and assigns, including, without limitation, amendment of this Section.

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

10.8 **Unilateral Amendment by Declarant.** In addition to all other special rights of the Declarant provided in this Declaration, the Declarant may amend this Declaration in order to comply with the requirements of the Federal Housing Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any other state in which the Lots are marketed and sold, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon, or such other state, the approval of which entity is required in order for it to insure, guarantee or provide financing in connection with development of the Property and sale of Lots. No such amendment shall require notice to or approval by any Member.

10.9 **Resolution of Document Conflicts.** In the event of a conflict among any of the provisions in the documents governing ROWLAND CREEK, such conflict shall be resolved by looking to the following documents in the order shown below:

1. Declaration;
2. Articles;
3. Bylaws;
4. Rules and Regulations.
IN WITNESS WHEREOF, the undersigned being Declarant herein, has executed this instrument this 12th day of June, 2006.

BRUCE PARKER CONSTRUCTION CO.

By: ______________

STATE OF OREGON, )

 ) ss.

County of Washington )

On the 12th day of June, 2006, personally appeared before me Bruce Parker who, being duly sworn, did say that he is the President of BRUCE PARKER CONSTRUCTION CO. and that the foregoing instrument was signed on behalf of said company by authority of its Board of Directors; and they acknowledged said instrument to be its voluntary act and deed.

__________________________
Notary Public for Oregon

OFFICIAL SEAL
SANDI WODARCZAK
NOTARY PUBLIC – OREGON
COMMISSION NO. 358943
MY COMMISSION EXPIRES AUGUST 27, 2006
AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ROWLAND CREEK ESTATES

This Amendment to the DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR ROWLAND CREEK ESTATES ("Declaration") recorded June 28, 2006, in Yamhill County Records as Document No. 200614367, is made by Bruce Parker Construction Co., an Oregon corporation ("Declarant"). This Amendment affects the real property located in the City of Yamhill, State of Oregon and described on the attached Exhibit A.

Declarant is the holder of no less than seventy-five percent (75%) of the total votes of all members of the Rowland Creek Estates Homeowners’ Association entitled to vote on the following amendment to the Declaration, and pursuant to Article 10.6 of the Declaration does hereby amend the Declaration as follows:

“4.2 Floor Area. The square footage of a Home shall not be less than 1600 square feet. Total square footage shall be exclusive of unfinished basements, attics, patios, decks, porches, balconies and garages.”

IN WITNESS WHEREOF, the undersigned being Declarant herein, has executed this instrument this 1st day of November, 2006.

BRUCE PARKER CONSTRUCTION CO.

[Notarization on next page]
STATE OF OREGON, )
    ) ss.
County of Washington. )

On the 1st day of November, 2006, personally appeared before me Bruce Parker who, being duly sworn, did say that he is the President of BRUCE PARKER CONSTRUCTION CO. and that the foregoing instrument was signed on behalf of said company by authority of its Board of Directors; and they acknowledged said instrument to be its voluntary act and deed.

[Signature]
Notary Public for Oregon

rdocs\parker CCR Rowland Creek-Amend.wpd
BY-LAWS

OF

ROWLAND CREEK ESTATES
HOMEOWNERS’ ASSOCIATION, INC.

ARTICLE 1
NAME AND LOCATION

The name of the corporation is Rowland Creek Estates Homeowners’ Association, Inc., hereinafter referred to as the “Association.” The principal office of the corporation shall be located at 2850 Taylor Way, Forest Grove, Oregon 97116, but meetings of members and directors may be held at such places within Yamhill County, Oregon as may be designated by the directors.

ARTICLE 2
DEFINITIONS

Section 1: “Association” shall mean and refer to Rowland Creek Estates Homeowners’ Association, Inc., its successors and assigns.

Section 2: “Properties” shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions for Rowland Creek Estates recorded in Yamhill County Deed Records at 200614366, and additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3: “Lot” shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.

Section 4: “Member” shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.

Section 5: “Owner” shall mean and refer to the record owner, whether one or more persons or entities of the fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6: “Declarant” shall mean and refer to Bruce Parker Construction Co.

Section 7: “Declaration” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the office of the Recorder of Yamhill County, Oregon.
ARTICLE 3
MEMBERS

Section 1: Membership. Every person or entity who is a record owner of a fee or undivided interest in common in any Lot which is subject by covenants or record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 2: Suspension Of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights of such member shall be suspended by the Board of Directors until such assessment has been paid.

ARTICLE 4
DIRECTORS

Section 1: Number. The affairs of the Association shall be managed by a Board of three (3) directors, who must be members of the Association.

Section 2: Election. At the first annual meeting, the members shall elect one director for a term of one year and two directors for terms of two years. At each annual meeting thereafter, the members shall elect replacements to fill the positions of the directors whose terms are then expiring. These subsequent replacements shall all serve two-year terms.

Section 3: Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association.

Section 4: Vacancy. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired portion of the predecessor’s term of office.

Section 5: Compensation. No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for actual expenses incurred on behalf of the Association.

Section 6: Meetings. Meetings of the Board of Directors, regular or special, may be held either within or without the State of Oregon.

Section 7: Annual Meetings. The regular annual meeting of the Board of Directors shall be held immediately following the annual meeting of the shareholders, at the time and place determined by the Board of Directors.
Section 8: Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each director, either personally or by mail. Special meetings shall be called by the President in the same manner and with similar notice on the written request of two directors.

Section 9: Quorum. A majority of the total number of directors shall constitute a quorum for the transaction of business at a meeting of the Board of Directors. The act of the majority of the directors present at a meeting attended by a quorum shall be the act of the Board of Directors.

Section 10: Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

ARTICLE 5
NOTICES: INFORMAL ACTION BY DIRECTORS

Section 1: Whenever, under the provisions of Oregon law or of these By-Laws, notice is required to be given to any director or member, it shall not be construed to mean personal notice, but such notice may be given in writing and mailed, postage prepaid, to a director or member, to the address that appears on the corporation's records. The notice shall be deemed to be given at the time when it is deposited in the United States Mail.

Section 2: Whenever any notice is required to be given to any member or director under the provisions of Oregon law or by these By-Laws, a waiver signed by the person entitled to this notice shall be deemed equivalent to the giving of this notice.

Section 3: Any action required by Oregon law to be taken at a meeting of the directors or members, or any other action which may be taken at such meeting, may be taken without a meeting if all of the directors or members entitled to vote on the question consent in writing to the action.

Section 4: A director's attendance at a meeting shall constitute a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully convened. Neither the business to be transacted at nor the purpose of any meeting of the Board of Directors need be specified in the notice or waiver of notice of the meeting.

ARTICLE 6
NOMINATION AND ELECTION OF DIRECTORS

Section 1: Nomination for election to the Board of Directors shall be made from the floor at the annual meeting of the members.

Section 2: Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are
entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

**ARTICLE 7**

**POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1: **Powers.** The Board of Directors shall have power to:

(a) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, and Articles of Incorporation, or the Declaration;

(b) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(c) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

(d) Any other act authorized by Oregon law.

Section 2: **Duties.** It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members;

b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As provided herein and in the Declaration, to fix the amount of the annual assessment as provided in the recorded Covenants, Conditions and Restrictions;

(d) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(e) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(f) Enforce the Declaration.

**ARTICLE 8**

**COMMITTEES**

Section 1: The Board of Directors shall appoint committees as deemed appropriate in carrying out its purposes.
Section 2: It shall be the duty of each committee so appointed to receive complaints from members on any manner involving the Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE 9
MEETINGS OF MEMBERS

Section 1: Annual Meetings. The first annual meeting of the members shall be held within one year from the date that the Declarant surrenders administrative control of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 p.m. If the date of the annual meeting falls on a legal holiday, or a Saturday or Sunday, the annual meeting shall be held on the following work day.

Section 2: Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4th) of all of the votes of the entire membership. Business transacted at any special meeting shall be confined to the purpose stated in the notice.

Section 3: Notice of Meetings. Written notice of each meeting of the members shall be given by the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote, addressed to the member’s address last appearing on the books and records of the Association, or supplied by such manner to the Association for the purpose of notice, or by personally serving the notice to a member. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4: Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) of the votes of membership shall constitute a quorum for any action except as otherwise provided in the recorded Declaration of Covenants, Conditions and Restrictions. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote shall have the power to adjourn the meeting from time to time, without notice, other than announcement at the meeting, until a quorum shall be present or be represented.

Section 5: Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease when the member no longer owns a Lot.

ARTICLE 10
OFFICERS AND THEIR DUTIES

Section 1: Enumeration of Office. The officers of this Association shall be a President, Secretary and Treasurer, who shall at all times be members of the Board of Directors.
Section 2: Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3: Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, or until resignation, removal, or disqualification to serve.

Section 4: Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5: Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6: Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7: Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special office created pursuant to Section 4 of this Article.

Section 8: Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders, and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds or other written instruments; and shall co-sign all checks and promissory notes.

Secretary

(b) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties as required by the Board.

Treasurer

(c) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; and shall sign all checks and promissory notes of the Association, keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.
ARTICLE 11
VOTING RIGHTS OF MEMBERS

Section 1: All members shall be owners and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be considered as one member. The vote for such lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any lot.

Section 2: Suspension of Voting Rights. The Association, by and through its Board of Directors, shall have the power to suspend the voting rights of an owner for any period during which any assessment against the owner’s lot remains unpaid and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations other than the failure to pay any such assessment.

ARTICLE 12
BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the home of the Secretary, where copies may be purchased at reasonable cost.

ARTICLE 13
INDEMNIFICATION

Section 1: In furtherance and not in limitation of the powers conferred by statute, the Association shall indemnify the Declarant as an incorporator and member of the original Board of Directors of the Association, and hold it free and harmless from any obligation, liability, charge, expense or indebtedness arising out of, or related to, its activities in incorporating the Association.

Section 2: The corporation shall indemnify any person 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 or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the 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 the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding, by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.
Section 3: The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

Section 4: To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections (1) and (2) of this Article, or in defense of any claim, issue or matter therein, the person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection therewith.

Section 5: Any indemnification under Sections (1) and (2) of this Article (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections (1) and (2) of this Article. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by the members.

Section 6: Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in subsection (4) of the Article upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that the person is entitled to be indemnified by the corporation as authorized in this Article.

Section 7: The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any By-Law, agreement, vote of members or disinterested directors or otherwise, both as to action in the person's official capacity and as action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of the person.

Section 8: The directors of the corporation have the authority on behalf of the corporation to authorize the purchase and maintenance of insurance on behalf of any person who is or was a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other
enterprise against any liability asserted and incurred in any such capacity or arising out of the person’s status as such, whether or not the corporation would have the power to indemnify the person against such liability under the provisions of this Article.

**ARTICLE 14**

**AMENDMENTS**

**Section 1:** The By-Laws of the corporation may be altered, amended or repealed and new By-Laws may be adopted by the affirmative vote of a two-thirds (2/3) majority of the members present at any annual Association meeting.

**Section 2:** Any proposal for changes in the By-Laws shall be submitted in writing to the Board ninety (90) days before the annual meeting.

**Section 3:** Any proposal submitted to the Board for changes to the By-Laws must be signed by at least ten percent (10%) of the Association members.

**Section 4:** Any proposal placed on a ballot for an annual meeting is subject to approval by a majority vote as specified, in Covenants and/or By-Laws as the case may be.

Bruce Parker Construction Co., DECLARANT

By: [Signature]

President
STATE OF OREGON,  
County of Washington.

On the 16th day of June, 2006, personally appeared before me Bruce Parker who, being duly sworn, did say that he is the President of BRUCE PARKER CONSTRUCTION CO. and that the foregoing instrument was signed on behalf of said company by authority of its Board of Directors; and they acknowledged said instrument to be its voluntary act and deed.

OFFICIAL SEAL
SANDI WODARCZAK
NOTARY PUBLIC – OREGON
COMMISSION NO. 368943
MY COMMISSION EXPIRES AUGUST 27, 2008

Notary Public for Oregon
ROWLAND CREEK ESTATES
LOCATED IN THE NORTHWEST 1/4 OF SECTION 4, TOWNSHIP 3 SOUTH, RANGE 4 WEST, WILLAMETTE MERIDIAN, CITY OF YAMHILL, YAMHILL COUNTY, OREGON
SHEET 2 OF 2
SEPTEMBER 22, 2005

SURVEYOR’S CERTIFICATE
1. CLEON H. STUBBS JR., CERTIFY THAT
I HAVE CORRECTLY SURVEYED AND MARKED WITH PROPER MONUMENTS, THE LAND AS REPRESENTED ON THE ATTACHED SUBDIVISION MAP, AND MARKED PROPERLY PARTICULARLY DESCRIBED AS FOLLOWS:
CONTAINING 12.33 ACRES, MORE OR LESS.

NARRATIVE
THE PURPOSE OF THIS SURVEY WAS TO SURVEY THE PROPERTY DESCRIBED IN FIGURE 198A, PAGE 934 AND THAT PORTION OF THE PROPERTY DESCRIBED IN FIGURE 2B, PAGE 1235 LOCATED WITHIN THE CITY LIMITS OF YAMHILL, OR.
1. HELD SURVEY NUMBER 102,092 FOR MY BASIS OF BEARINGS AND BOUNDARY RESOLUTION.

NOTES & RESTRICTIONS
1. THIS SURVEY IS SUBJ BETWEEN THE ODDS OF THE YAMHILL PLANNING DEPARTMENT AS SUBDIVISION CASE NO. 04-003.
2. THAT A "S" SHALL BE OMITTED AND MARKED WITH THE ROWLAND CREEK ESTATES HOMEOWNERS ASSOCIATION IN ACCORDANCE WITH THE DECLARATION OF Covenants, Conditions, and Restrictions for ROWLAND CREEK ESTATES, RECORDED AS DOCUMENT NUMBER 2003-004.
3. NO PUBLIC USE ACCESS SHALL BE PERMITTED ALONG THE NORTH LINES OF LOTS 17, 18, 19 AND 20.
4. THERE SHALL BE A 5/8" DRAINAGE LINE ALONG THE ROAD FRONTAGE OF ALL LOTS AND TRACTS.

ACKNOWLEDGMENT
STATE OF OREGON \ SS
COUNTY OF YAMHILL
I, CLEON H. STUBBS JR., ADJUTANT, HEREIN CERTIFY THAT THE PRECEDING SIGNATURES WERE LEGALLY EXECUTED AND HEAVIN, OR.
NOTARY SIGNATURE

PUBLIC RECORDS
NOTARY PUBLIC - OREGON \ SS
COMMISSION NO.
MY COMMISSION EXPIRES

CONSENT AFFIDAVIT

BOUNDARY TOPOGRAPHIC CONSTRUCTION CADASTRAL SURVEYING, LLC
NORTHWEST PO BOX 7177 BEAVERTON, OR 97070 PHONE: 503-849-2117 FAX: 503-849-2179 EMAIL: info@nwcsurveying.com