DECLARATION OF COVENANTS AND RESTRICTIONS FOR MICHELBOK'S FIFTH AND SIXTH ADDITIONS
A Residential Community with Common Facilities

DECLARATION

THIS DECLARATION, made this 25th day of February, 1999, by MICHELBOK ESTATES, INC., an Oregon corporation, hereafter called the "Developer".

WITNESSETH:

Whereas, MICHELBOK ESTATES, Inc. is the owner of the real property described in this declaration and desires to create thereon a residential community with common facilities for the benefit of said community. This community shall be referred to as the "Michelbook Fifth and Sixth Addition Homeowners' Association", which at the time of adoption of these Covenants and Restrictions Consists of Michelbook’s Fifth and Sixth Additions to the City of McMinnville, Yamhill County, Oregon; and

Whereas, Michelbook Estates, Inc. has deemed it desirable for the efficient preservation of the values and amenities in said community to create an agency to which should be delegated and assigned the powers of maintaining, administering, and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created. This agency shall be referred to as the "Michelbook Fifth and Sixth Additions Homeowners' Association".

ARTICLE I

DEFINITIONS. The following words, when used in this declaration, or any subsequent or supplemental declaration (unless the context shall prohibit), shall have the following meanings:

Section 1. "Association" shall mean and refer to the Michelbook Fifth and Sixth Additions Homeowners' Association, a non-profit corporation organized and existing under the laws of the State of Oregon.

Section 2. "Association of Members" shall mean all the owners and other persons entitled to vote, acting as a group, in accordance with the declaration and bylaws.

Section 3. "Building" shall mean a multiple unit building or a single unit building, or any combination thereof, comprising a part of the property.
Section 4. "Common Expenses" shall mean the expenses of administration, maintenance, repair or replacement of the private commons, expenses agreed upon as common by the owners, and expenses declared common by this declaration, or the bylaws of this Association.

Section 5. "Declaration" shall mean these Covenants and Restrictions and any written amendments and supplements thereto.

Section 6. "Lot" shall mean a part of the property, including a building of one or more rooms intended for any type of independent use, and with a direct exit to a public street or highway or to an area or areas leading to a public street or highway.

Section 7. "Member" shall mean that person or entity having a voting right in the Association pursuant to this declaration and the Articles of Incorporation and bylaws of the Association.

Section 8. "Owner" shall mean the record owner, or contract purchaser, whether one or more persons or entities, of a fee simple title to any lot, plot or living unit situated upon the properties, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the to mortgagee or holder of a trust deed unless and until such mortgagee or holder of the trust deed has acquired full title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 9. "Private Commons" shall mean parks, commons, streets, footways, buildings, structures, walls, roofs, personal properties, and any and all other properties maintained by the Association for the common benefit and enjoyment of all of the members of the Association.

Section 10. "Properties" or "Property" shall mean the land, whether leasehold or in fee simple, all buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, which are under this declaration, Articles of incorporation, and bylaws of the Association.

ARTICLE II
PROPERTIES SUBJECT TO THE DECLARATION

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to the declaration is located in Yamhill County, Oregon, and is more particularly described as set forth upon that document attached hereto and made a part hereof as though fully set forth herein, and marked Exhibit "A", all of which said real property shall hereinafter be referred to as "existing property".
ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity which is an owner shall be a member, and the Developer shall be a member.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all of the lot owners. An owner's proportionate share of the revenue and expense associated with the private cartons shall be equal to his proportionate voting share in the Association. Each Class A owner shall have one vote per lot owned except as to condominium developments where each condominium unit owner shall be a member as defined by Article I, Section 7, and an owner as defined by Article I, Section 8 hereof, and shall have one vote per condominium unit owned, whether the lot or condominium owner is a corporation, an association, a partnership, or a husband and wife. When more than one person holds such interest in any lot, all such persons shall exercise their vote as a unit; provided, however, if a voting dispute arises, the multi-person owner shall not be entitled to a vote unless the dispute be resolved as they among themselves shall decide.

Class B: The Class B member shall be the Developer. The Class B member shall be entitled to two times the votes for each lot or unit owned by a Class A member for the lots or condominium units within Association properties; provided, however, that the Class B membership shall cease and become converted to Class A membership upon the happening of any of the following events: (a) When fifty percent (50%) of the lots or condominium units set forth upon this declaration to be filed have been sold; or (b) On the 31st day of December, 1999. From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each lot then unsold and in which the Developer holds the interest required for membership under this declaration.

ARTICLE IV
PROPERTY RIGHTS IN PRIVATE COMMONS

Section 1. Members' Easement of Enjoyment. Subject to the provisions of Section 3 of this Article IV, every member shall have a right and easement of enjoyment in and to the private commons and such easement shall be appurtenant to and shall pass with the title to every lot or living unit.

Section 2. Title to Private Commons. The title to the private commons shall be vested in the owners. Each owner in Michelbook's Fifth and Sixth Additions to
the City of McMinnville, Yamhill County, Oregon, shall have an equal and undivided interest per lot owned in the private commons of Michelbook's Fifth and Sixth Additions.

Section 3. Extent of Members' Easement. The rights and easements of enjoyment created hereby shall be subject to the following.

(a) The right of the Association, as provided in its Articles of Incorporation and bylaws, to suspend the enjoyment rights of any member for as long as any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; nonpayment or infraction, however, is not grounds for denying a member the right to use the private commons access to his residence.

(b) The right of the Association or Developer to dedicate or transfer, subject to membership acceptance thereof, all or any part of the private commons to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members; provided, that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by the members entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded, agreeing to such dedications, transfer, purpose or conditions, and unless written notice of the proposed agreement and action thereof is sent to every member at least ninety (90) days in advance of any action taken.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the lien and personal obligation of assessments. Developer, for each lot owned by it within the properties, hereby covenants with, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association (1) annual assessments or charges (which may be paid on a monthly basis), (2) special assessments for capital improvements, replacements or repairs, such assessments to be fixed, established and collected from time to time as provided in Section 10.10 of the Bylaws. The annual and special assessments, together with such interest thereon, and costs of collection thereof as hereafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof, as hereafter provided, shall also be the personal obligation of the person who is the owner of such property at the time when the assessment fell due. Such lien shall be enforceable in a manner consistent with the provisions of ORS Chapter 88 which governs foreclosures generally, or any other key statute or regulation governing foreclosure of Homeowner Association liens. The prevailing party shall be entitled to attorneys fees as provided by Article XI, Section 5 herein.

PAGE 4 DECLARATION OF CONDITIONS AND RESTRICTIONS
ARTICLE VI
ARCHITECTURAL COMMITTEE

Section 1. An Architectural Committee shall be formed to insure the proper and harmonious development of the property consistent with the adjoining golf course and country club. Initially, the Developer shall be responsible to appoint members to the Architectural Committee, of which not less than one shall be a lot owner. However, at such time as the Class B membership shall cease, the Association shall be responsible to appoint members to the Architectural Committee. The Architectural Committee shall at all times consist of as many persons, not less than three (3), as the Developer or the Association shall appoint, and shall at all times contain a member appointed by Michelbook Estates, Inc. The Architectural Committee shall perform the functions outlined below.

Section 2. Lot owners will not construct, alter or maintain any improvement on the premises until:

(a) They have submitted to the Architectural Committee a complete set of plans and specifications therefor in form satisfactory to the Committee, showing insofar as is appropriate: (1) the size and dimensions of the improvement; (2) the exterior design, (3) the exterior color scheme, (4) the exact location of the improvement on the home site, (5) the location of driveways and parking areas, (6) the landscaping arrangement, and (7) the size, dimension and location of any outbuildings; and

(b) Such plans and specifications have been approved in writing by the Committee. Approval of said plans and specifications may be withheld not only because of their noncompliance with any of the restrictions and conditions contained herein, but also because of the reasonable dissatisfaction of said Committee with the items set forth in paragraph (a) above which, in the reasonable judgment of the Committee, would render the proposed improvement inharmonious or out of keeping with the objectives of the improvements erected on other home sites in the immediate vicinity of the premises.

(c) If at any time the lot owner shall have submitted to the Committee plans and specifications and the Committee shall have neither approved such plans and specifications within thirty (30) days from the date of their submission nor notified the lot owner of its objections within such period such plans and specifications shall be deemed to have been approved by the Architectural Committee. Similarly such restrictions shall apply to action upon any revised plans and specifications. Upon completion of the improvement and notice to the Committee, the Committee shall have the right for a period of ten (10) days from receipt of such notice to inspect said improvement for the purpose of determining whether it complies with the plans and specifications previously approved. Within ten (10) days thereafter, said Committee shall either approve said improvement or notify the lot owner of changes necessary to comply with the plans and specifications. In the event the Committee does not act

PAGE 5 DECLARATION OF CONDITIONS AND RESTRICTIONS
within said ten (10) day period, the improvement shall conclusively be deemed to be satisfactory to the Committee. All communications to the Committee shall be delivered by hand or mail to the Developer at its office in McMinnville, Oregon.

(d) The Architectural Committee has prepared an architectural checklist setting forth general concepts for the development of said tract which is available at the office of the Developer. Such checklist may be modified from time to time.

ARTICLE VII
EASEMENTS

Section 1. The Developer reserves for the benefit of the tract those areas designated on said plat as easements and right-of-way for the purpose of construction of utilities, including but not limited to streets, sewers, water, power, gas and telephone, for the benefit of all lot owners in said tract.

Section 2. The Developer reserves for the benefit of the tract easements to permit the doing of every act necessary and proper to the playing of golf on the golf course adjacent to the lots which are subject to these restrictions. These acts shall include, but are not be limited to, the recovery of golf balls from such lots, the flight of golf balls over and upon such lots, the use of necessary and usual equipment upon such golf course, the usual and common noise level created by the playing of the game of golf, together with all the other common and usual activity associated with the game of golf and with all the normal and usual activities associated with the operation of a country club.

ARTICLE VIII
BUILDING RESTRICTIONS

Section 1. Maximum building height. The peak of the roof for units to be built within this development shall not exceed thirty-five (35) feet at the peak of the roof as measured from the nearest curb. Provided, however, that Lots 1, 2, 3, 4, and 5 of Mitchell's Fifth Addition shall be restricted to a single story of construction height as permitted by the City of McMinnville.

Section 2. Square feet to be contained in any house constructed. Any house constructed shall have a minimum area of 2000 square feet of living area on the ground floor; provided, however, that any condominium unit constructed thereon shall have a minimum area of 1,400 square feet of living area on the ground floor. Houses and condominium constructing a second floor shall have a maximum of 1200 square feet of living area on the second story level.

Section 3. Set-back requirements. The minimum side yard requirement for a single-family lot shall be ten (10) feet. Front yard set-back requirements shall be twenty (20) feet. Rear yard set-back requirements shall be twenty (20) feet for lots not
adjacent to the golf course, and thirty (30) feet for lots adjacent to the golf course. No improvement of any kind shall be constructed within the setback area.

Section 4. Restrictions on carports. No carports shall be allowed in the development. Parking shall be provided by means of entirely enclosed parking facilities or garages. There will be also a 2-car minimum requirement for any garage or enclosed parking facility constructed.

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural Committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

Section 6. Landscaping plans and installation must be approved by the Architectural Committee of the Association.

Section 7. Roofs shall be cedar shake, cedar shingle or tile, or approved by the Architectural Committee of the Association; however, under no circumstances will asphalt shingles be permitted or approved for usage.

Section 8. Lot Maintenance. In the event that any lot owner does not commence construction of a residence on said lot upon completion of all site improvements, he shall plant said lot as a lawn. The lot shall thereafter be maintained the same as a lawn until a residence is constructed. In the event that the owner does not maintain the lot, he agrees to pay MICHELBOOK ESTATES, INC. a monthly fee of $65 to perform such maintenance service.

Section 9. Construction time limit. All construction on any lot must be completed and the occupancy permit issued within 365 days from the date of the issuance of a building permit or from the date that the Architectural Committee approves the plans and specifications, whichever is later.

Section 10. Exterior building and outbuilding colors shall be natural, tans, beige, browns, or earth color, or approved by the Architectural Committee of the Association. In no circumstance shall pastel or vibrant exterior colors be approved by the Architectural Committee.

Section 11. Detached Improvements. Any detached improvement whatever must be approved by the Architectural Committee of the Association, and must be constructed of the same exterior roofing and siding materials used for the residence located on such lot.

PAGE 7 DECLARATION OF CONDITIONS AND RESTRICTIONS
Section 12. Construction Siding Materials. Residences shall be constructed of brick, stone, cedar, E.I.F.S., stucco, cementitious board, or other like materials approved by the Architectural Committee, provided, however, that under no circumstances will T-111, T-303 or exterior paneling of similar type be permitted or approved for usage.

ARTICLE IX
GENERAL RESTRICTIONS

Section 1. Animals. No domestic animals of any kind shall be raised, kept or permitted upon the premises or any part thereof other than dogs, cats, and birds which are not kept, bred or raised thereon for commercial purposes or in unreasonable numbers, and which are reasonably controlled to avoid their being a nuisance to other lot owners. No animal confinement pen or structure shall be constructed or maintained outside of the residence located on the lot.

Section 2. Manufactured or Mobile Homes, Temporary Structures. No manufactured or mobile home, permanent or temporary structure shall be allowed in the development, with the exception of a permitted construction type of modular office to be used only during the period of construction. Approval shall rest with the Architectural Committee for granting such a permit.

Section 3. Motor homes, recreational vehicles, campers, boats, or travel trailers. No camper, motor home, recreational vehicle, boat, or travel trailer shall be permitted to be left on the owner or tenant occupied drive, street side, front, side or rear yard for a period exceeding two (2) days. Campers, motor homes, recreational vehicles, boats, or travel trailers may be left on a lot or adjacent thereto for a reasonable period of time to permit cleaning, loading or unloading, not to exceed the applicable limitation provided by the City of McMinnville ordinance governing such subject. Storage of any motor home, camper, recreational vehicle, boats or travel trailers on a lot for more than five days shall be entirely within a garage or other outside structure construction of which has been approved by the Architectural Committee of the Association.

Section 4. Trash or refuse. No open air trash, refuse or garden material burning will be allowed at any time on any property included in this development. No garbage, trash or refuse will be allowed to accumulate on property contained in this development. Failure to such trash, refuse and garden material will result in the Association having such removed and presenting the owner of the property with a charge for said removal, which charge, if not paid within thirty (30) days, shall result in a lien being recorded against the property involved.

Section 5. Commercial business. No commercial business of any type shall be allowed to be established on or operated from this development.

PAGE 8 DECLARATION OF CONDITIONS AND RESTRICTIONS
Section 6. Nonusable motor vehicles. There shall not be stored, parked or
kept upon said lots or tracts in open and plain view any motor vehicle which is in a
ruined, wrecked, junked or partially dismantled or inoperative or abandoned condition,
whether attended or not, unless it is completely enclosed within a building. Any such
motor vehicle shall constitute a condition tending to reduce the value of the property; to
invite plundering; to create fire hazards; to constitute an attractive nuisance creating a
hazard to the health and safety of minors; and to be a nuisance; and it shall be the duty
of the owner of the property or of the lessee or other person in possession of the
property upon which such vehicle is located, either to remove the same or have the
same housed in an entirely enclosed building where it will not be visible from the street
or other property within the development.

Section 7. One family per single unit dwelling. No more than one (1) family
shall be allowed to dwell in a single unit family dwelling. This does not apply to
overnight guests, temporary visitors, or in-house domestic employees.

Section 8. No offensive noise or activities. No resident or guest of a
resident shall make any offensive noises or conduct any activity which offends or
interferes with other residents’ use of their property or the private commons.

Section 9. Restrictions on lake activities. No resident or guest shall utilize
the adjacent lake located on the Developer’s property for fishing, boating or other lake
related purposes.

Section 10. Swimming pool construction. Swimming pools constructed on
lots shall be entirely of the underground type. No above ground swimming pools may
be installed or constructed on any lot.

Section 11. Satellite dishes and antennas. No satellite dish, antenna,
weather vane or other attachment shall extend more than thirty-six (36) inches above
the roof line of a residence at the point of attachment, and shall not to exceed a total of
thirty-five feet of height at its highest projection. Satellite dishes may not exceed
twenty (20) inches diameter in size.

ARTICLE X
GENERAL PROVISIONS

Section 1. Duration. The covenants, easements and restrictions contained
herein are to run with the land for the benefit of each owner of land in such subdivision,
and shall inure to and pass with each and every parcel of such subdivision, and shall
bind the respective successors in interest of the present owner thereof. These
covenants, and restrictions shall remain in full force and effect for a period of thirty (30)
years from the date of recording this declaration, and said covenants and restrictions
shall terminate thereafter only upon the written agreement of not less than ninety
percent of the record owners of the lots contained in said tract.

PAGE 9 DECLARATION OF CONDITIONS AND RESTRICTIONS
Section 2. Enforcement. The Association, or any owner, or the owner of any recorded mortgage contract vendor or recorded trust deed on any part of said property shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, easements, liens, liens or charges now or hereafter imposed by the provisions of this declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Access of City Police, Fire and Ambulance. All streets, roads, and highways located upon the property shall be owned and open for use by the police, fire, and ambulance departments of the City of McMinnville to provide any services required within their assigned responsibilities. The City shall also have further authority to enter upon said streets, roads, and ways to enforce all ordinances of the City and traffic laws of the State of Oregon and to issue citations for any violations thereof.

Section 4. Severability. Invalidation of any of these covenants and restrictions by judgment or court order shall in no way affect any of the other provisions herein which shall remain in full force and effect.

Section 5. Amendments. The covenants and restrictions of this declaration may be amended by an instrument signed by not less than ninety percent (90%) of the lot owners. Any amendment shall be properly recorded. Easements herein granted and reserved shall not be amended except by instrument signed and acknowledged by one hundred percent (100%) of the owners of said property, the beneficial party under such easement if other than an owner, and the Developer.

Section 6. Attorney Fees. In case suit or action is instituted to enforce any of the provisions hereof, the losing party agrees to pay such sum as the trial court may adjudge reasonable as attorney's fees to be allowed the prevailing party in said suit or action, and if an appeal is taken from any judgment or decree of such trial court, the losing party shall pay such sum as the appellate court shall adjudge reasonable as prevailing party's attorney's fees on such appeal

Dated this 4th day of February, 1999.

MICHELBOCK ESTATES, INC., a corporation,

By: ____________________________ By: ____________________________
President Secretary

PAGE 10 Declaration of Conditions and Restrictions
Personally appeared ANDY C. PATTON and MARTIN BERGAN
being duly sworn, each for himself and not one for the other, did say that the former is
the President and that the latter is the Secretary of MICHELBOOK ESTATES, INC., a
corporation, and that the seal affixed to the foregoing instrument is the corporate seal of
said corporation and that said instrument was signed on behalf of said corporation by
authority of its Board of Directors as its free and voluntary act.

Notary Seal

[Signature]
Notary Public,
My Commission expires 9-21-02
AMENDMENT TO
DECLARATION OF COVENANTS AND RESTRICTIONS
FOR MICHELBOK'S FIFTH AND SIXTH ADDITIONS
A Residential Community with Common Facilities

DECLARATION

THIS AMENDMENT TO DECLARATION is made pursuant to Section 5 of the original Declaration recorded in official Yamhill County Records on February 5, 1999, Document No. 199902355.

WITNESSETH

WHEREAS, the lot owners of Michelbook's Fifth and Sixth Additions to the City of McMinnville, Yamhill County, Oregon, desire to amend the Declaration of Covenants and Restrictions for Michelbook's Fifth and Sixth Additions recorded in the official records of Yamhill County, Oregon, on February 5, 1999, Document No. 199902355.

NOW, THEREFORE, the lot owners of Michelbook's Fifth and Sixth Additions to the City of McMinnville, Yamhill County, Oregon, by and through the Michelbook Fifth and Sixth Additions Homeowners' Association, amend the Declaration of Covenants and Restrictions for Michelbook's Fifth and Sixth Additions as follows:

AMEND Article VIII, Section 5, by replacing existing Article VIII, Section 5, with the following new Article VIII, Section 5, to-wit:

"Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural Committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence")."
The undersigned President of the Michelbook Fifth and Sixth Additions Homeowners' Association certifies that more than ninety percent (90%) of the lot owners approved this Amendment, as evidenced by the attached "PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS" signed by each lot owner.

MICHELBOOK FIFTH AND SIXTH ADDITIONS HOMEOWNERS' ASSOCIATION

By: [Signature]
Bill Cooper / President

STATE OF OREGON )
 ) ss.
County of Yamhill )

On the 3rd day of July, 2001, personally appeared the above named BILL COOPER who, being duly sworn, did say that he is the President of MICHELBOOK FIFTH AND SIXTH ADDITIONS HOMEOWNERS' ASSOCIATION, and that the foregoing instrument was signed on behalf of said organization by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed.

Before me:

[Stamp]
OFFICIAL SEAL
PETRA A BOLTON
NOTARY PUBLIC-OREGON
COMMISSION NO 318104
MY COMMISSION EXPIRES DEC 10, 2002

NOTARY PUBLIC FOR OREGON
My Commission Expires: 12-10-02

2/- AMENDMENT
33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side (“good neighbor fence”).

[Signature]
Bergan, Martin T.
Name, Please Print

Against the above change to the Covenants and Restrictions

[Signature]
Bergan

For the above change to the Covenants and Restrictions

3/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

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✓ For the above change to the Covenants and Restrictions

Against the above change to the Covenants and Restrictions

[Signature]

Name, Please Print

6 th

Addition

11 / 12

Lot #

4/33
BALLOT

PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

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☑ For the above change to the Covenants and Restrictions

☐ Against the above change to the Covenants and Restrictions

______________________________
Name, Please Print

______________________________
Signature

6th Addition 4 Lot #

S/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

☐ For the above change to the Covenants and Restrictions

☐ Against the above change to the Covenants and Restrictions

Name, Please Print  ___________________________ Signature ___________________________  6th Lot #

6/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5, OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5, Fences.Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5, Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

X For the above change to the Covenants and Restrictions

__ Against the above change to the Covenants and Restrictions

Jeff & Karen Firestone

Name, Please Print

Signature

6th Addition

23 Lot #

7/83
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

✔ For the above change to the Covenants and Restrictions

— Against the above change to the Covenants and Restrictions

Name, Please Print Signature Addition Lot #

8/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

__ For the above change to the Covenants and Restrictions

__ Against the above change to the Covenants and Restrictions

Edward J. Gormley  Edward J. Gormley  5th  6
Name, Please Print  Signature  Addition  Lot #

9/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

For the above change to the Covenants and Restrictions

Against the above change to the Covenants and Restrictions

Tim Harris
Name, Please Print

Signature

6th Lot #
Addition

10/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

☐ For the above change to the Covenants and Restrictions
☐ Against the above change to the Covenants and Restrictions

Name, Please Print
Signature

Douglas Hur

5th 10/6/14

Addition Lot #

11/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

_/ For the above change to the Covenants and Restrictions
_/ Against the above change to the Covenants and Restrictions

Jake Hurbert
Name, Please Print

Signature

6th Addition

Lot #

17/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5, OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot; rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural Committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

For the above change to the Covenants and Restrictions

Against the above change to the Covenants and Restrictions

Name, Please Print: ___________________________  Signature: ___________________________  Date: ____________

MICHELBOOK FIFTH & SIXTH ADDITION HOMEOWNERS ASSOCIATION
1301 N. E. Highway 99West #245
McMinnville, OR 97128

13/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

X For the above change to the Covenants and Restrictions

__ Against the above change to the Covenants and Restrictions

[Signature]

Name, Please Print  [Signature]  5th Addition  Lot #

14/23
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

__ X __ For the above change to the Covenants and Restrictions

__ Against the above change to the Covenants and Restrictions

Name, Please Print

Signature

6 th

Addition

Lot #

18/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE
COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK
FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be
constructed across or parallel to the rear property line of any lot. No fences shall
be constructed across or parallel to the front property line of any lot unless
approved by the Architectural committee of the Association as being consistent
with and integral to the approved design for the residence on such lot. Fences
shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in
height. All side yard fences shall be constructed outside of the front, rear, and
side yard setbacks. The location, material, and design of any fences constructed
shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be
constructed across or parallel to the rear property line of any golf course
frontage lot, rear fences on interior lots must be approved by the Architectural
Committee of the Association prior to construction. No fence shall be
constructed across or parallel to the front property line of any lot inside the front
setback. Fences shall be constructed of wood or masonry, and shall no exceed
six feet in height. All side yard fences shall be constructed outside of the front
and rear setbacks except for interior lots where the side yard fence can intersect
the rear fence. The location, material and design of any fences constructed shall
be approved by the Architectural committee prior to construction. All fences
shall look the same when viewed from either side (“good neighbor fence”).

For the above change to the Covenants and Restrictions

Against the above change to the Covenants and Restrictions

Dennis Wright

Name, Please Print

Signature

6 th
Addition

Lot #

11/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

☑ For the above change to the Covenants and Restrictions

☐ Against the above change to the Covenants and Restrictions

[Signatures]

Name, Please Print    Signature    Addition    Lot #
BALLOT

PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

X For the above change to the Covenants and Restrictions

Against the above change to the Covenants and Restrictions

Name, Please Print ____________________ Signature ____________________ Addition 6th Lot # 10

18/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side (“good neighbor fence”).

For the above change to the Covenants and Restrictions

Against the above change to the Covenants and Restrictions

[Signatures]

Name, Please Print  Signature  Addition  Lot #

19/23
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

☑ For the above change to the Covenants and Restrictions

☐ Against the above change to the Covenants and Restrictions

Michael McKenzie
Signature

6th Addition
Lot #16

20/23
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

__ For the above change to the Covenants and Restrictions

Against the above change to the Covenants and Restrictions

__________________________
Name, Please Print

__________________________
Signature

5th
Addition
Lot #

21/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

X For the above change to the Covenants and Restrictions

Against the above change to the Covenants and Restrictions

Michelbook Country Club
Michelbook Estates Inc

Name, Please Print
Signature

th Addition Lot #

5th Addition Lots 1 2 3 4 17
18 19 20 21

6th Addition Lots 1 21 22 25 26

02/23
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE
COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK
FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be
constructed across or parallel to the rear property line of any lot. No fences shall
be constructed across or parallel to the front property line of any lot unless
approved by the Architectural committee of the Association as being consistent
with and integral to the approved design for the residence on such lot. Fences
shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in
height. All side yard fences shall be constructed outside of the front, rear, and
side yard setbacks. The location, material, and design of any fences constructed
shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be
constructed across or parallel to the rear property line of any golf course
frontage lot, rear fences on interior lots must be approved by the Architectural
Committee of the Association prior to construction. No fence shall be
constructed across or parallel to the front property line of any lot inside the front
setback. Fences shall be constructed of wood or masonry, and shall not exceed
six feet in height. All side yard fences shall be constructed outside of the front
and rear setbacks except for interior lots where the side yard fence can intersect
the rear fence. The location, material and design of any fences constructed shall
be approved by the Architectural committee prior to construction. All fences
shall look the same when viewed from either side ("good neighbor fence").

✓ For the above change to the Covenants and Restrictions

☐ Against the above change to the Covenants and Restrictions

[Name, Please Print] [Signature] [6th Lot #]

23/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

I. Present wording:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any lot. No fences shall be constructed across or parallel to the front property line of any lot unless approved by the Architectural committee of the Association as being consistent with and integral to the approved design for the residence on such lot. Fences shall be constructed of wood, [vinyl], or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front, rear, and side yard setbacks. The location, material, and design of any fences constructed shall be approved by the Architectural Committee prior to construction.

II. Proposed Change:

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot, rear fences on interior lots must be approved by the Architectural Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall no exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural committee prior to construction. All fences shall look the same when viewed from either side ("good neighbor fence").

For the above change to the Covenants and Restrictions

✗ Against the above change to the Covenants and Restrictions

[Signature]

Name, Please Print

Addition

Lot #
BALLOT

PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

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For the above change to the Covenants and Restrictions

Against the above change to the Covenants and Restrictions

Name, Please Print ___________________________ Signature ___________________________

_________________ Addition __________ Lot #
BALLLOT
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X For the above change to the Covenants and Restrictions

__ Against the above change to the Covenants and Restrictions

GARY R. PICARD
Name, Please Print

Signature

6th Addition

Lot #

2/6/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE
COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK
FIFTH AND SIXTH ADDITIONS

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with and integral to the approved design for the residence on such lot. Fences
shall be constructed of wood, vinyl, or masonry, and shall not exceed six feet in
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and rear setbacks except for interior lots where the side yard fence can intersect
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shall look the same when viewed from either side ("good neighbor fence").

☐ For the above change to the Covenants and Restrictions

☐ Against the above change to the Covenants and Restrictions

Name, Please Print

Signature

Addition

Lot #
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

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_/ For the above change to the Covenants and Restrictions

_/ Against the above change to the Covenants and Restrictions

______________________________  __________________________  ____________
Name, Please Print               Signature               Addition Lot #
BALLOT
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☐ For the above change to the Covenants and Restrictions
☐ Against the above change to the Covenants and Restrictions

Samuel L. Stewart
Name, Please Print

Signature

5th Addition

Lot #

29/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

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_xor_for the above change to the Covenants and Restrictions

_xor_against the above change to the Covenants and Restrictions

[Signature]

Name, Please Print

Signature

5th Addition 15 Lot #

30/33
BALLOT
PROPOSED CHANGE TO ARTICLE VIII, SECTION 5. OF THE COVENANTS AND RESTRICTIONS FOR THE MICHELBOOK FIFTH AND SIXTH ADDITIONS

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Against the above change to the Covenants and Restrictions

Name, Please Print: [Signature] Addition Lot #

31/33
BALLOT
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Name, Please Print ___________________________ Signature ___________________________ Addition ______ Lot # _______
BALLOT
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X For the above change to the Covenants and Restrictions

________ Against the above change to the Covenants and Restrictions

Name, Please Print ___________________________ Signature ___________________________

6th Addition 14 Lot #
RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS
FOR MICHELBOOK'S FIFTH AND SIXTH ADDITIONS
A Residential Community with Common Facilities

DECLARATION

THIS RESTATED DECLARATION, made this 8th day of FEB. 2003, by
MICHELBOOK ESTATES, INC., an Oregon corporation, hereafter called the
"Developer". The ORIGINAL DECLARATION was made 4th day of February 1999
and amendments to the ORIGINAL DECLARATION were made 3 day of July 2001.

WITNESSETH:
Whereas MICHELBOOK ESTATES, Inc. is the owner of the real property described in
this declaration and desires to create thereon a residential community with common
facilities for the benefit of said community. This community shall be referred to as the
"Michelbook Fifth and Sixth Addition Homeowners' Association", which at the time of
adoption of these Covenants and Restrictions Consists of Michelbook's Fifth and Sixth
Additions to the City of McMinnville, Yamhill County, Oregon; and

Whereas, Michelbook Estates, Inc. has deemed it desirable for the efficient preservation
of the values and amenities in said community to create an agency to which should be
delegated and assigned the powers of maintaining, administering, and enforcing the
covenants and restrictions and collecting and disbursing the assessments and charges
hereinafter created. This agency shall be referred to as the "Michelbook Fifth and Sixth
Addition Homeowners' Association",

ARTICLE I

DEFINITIONS The following words, when used in this declaration, or any subsequent
or supplemental declaration (unless the context shall prohibit), shall have the following
meanings:

Section 1. "Association" shall mean and refer to the Michelbook Fifth and
Sixth Addition Homeowners' Association, a non-profit corporation organized and
existing under the laws of the Sate of Oregon.

Section 2. "Association of Members" shall mean all the owners and other
persons and entities who are members pursuant to Article III, Section I.

PAGE 1 DECLARATION OF CONDITIONS AND RESTRICTIONS
Section 3. "Building" shall mean a multiple unit building or a single unit building, or any combination thereof, comprising a part of the property.

Section 4. "Common Expenses" shall mean the expenses of administration, maintenance, repair or replacement of the private commons, expenses agreed upon as common by the owners, and expenses declared common by this declaration, or the bylaws of the Association.

Section 5. "Declaration" shall mean these Covenants and Restrictions and any written amendments and supplements thereto.

Section 6. "Lot" shall mean a part of the property, including a building of one or more rooms intended for any type of independent use, and with a direct exit to a public street or highway or to an area or areas leading to a public street or highway.

Section 7. "Member" shall mean those individuals and entities designated under Article III, Section 1. "Voting Members" shall mean those persons and entities entitled to vote pursuant to this Declaration, the Articles of Incorporation and Bylaws of the Association.

Section 8. "Owner" shall mean the record owner, or contract purchaser, whether one or more persons or entities, or a fee simple title to any lot, plot or living unit situated upon the properties, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee or holder of a trust deed unless and until such mortgagee or holder of the trust deed has acquired full title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 9. "Private Commons" shall mean parks, commons, streets, footways, buildings, structures, walls, roofs, personal properties, and any and all other properties maintained by the Association for the common benefit and enjoyment of all of the members of the Association.

Section 10. "Properties" or "Property" shall mean the land, whether leasehold or in fee simple, all buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, which are under this declaration, Articles of Incorporation, and bylaws of the Association.

PAGE 2 DECLARATION OF CONDITIONS AND RESTRICTIONS
ARTICLE II
PROPERTIES SUBJECT TO THE DECLARATION

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to the declaration is located in Yamhill County, Oregon, and is more particularly described as set forth upon that document attached hereto and made a part hereof as though fully set forth herein, and marked Exhibit “A”, all of which said real property shall hereinafter be referred to as "existing property".

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity which is an owner shall be a member.

Section 2. Voting Rights. Voting members shall consist of lot owners. Each lot owner shall have one vote per lot owned. Condominium unit owners shall collectively be considered as one lot owner, although each condominium unit owner shall be a member as defined by Article I, Section 7, and an owner as defined by Article I, Section 8. When more than one person holds an ownership interest in a lot, as in the case of condominium ownership, all such persons shall exercise their vote as a unit, provided, however, if a voting dispute arises, the multi-person owner shall not be entitled to vote unless the dispute be resolved as they among themselves shall decide.

ARTICLE IV
PROPERTY RIGHTS IN PRIVATE COMMONS

Section 1. Members’ Easement of Enjoyment. Subject to the provisions of Section 3 of this Article IV, every member shall have a right and easement of enjoyment in and to the private commons and such easement shall be appurtenant to and shall pass with the title to every lot or living unit.

Section 2. Title to Private Commons. The title to the private commons shall be vested in the owners. Each owner in Michelbook’s Fifth and Sixth Additions to the City of McMinnville, Yamhill County, Oregon, shall have an equal and undivided interest per lot owned in the private commons of Michelbook’s Fifth and Sixth Additions.

Section 3. Extent of Members’ Easement. The rights and easements of enjoyment created hereby shall be subject to the following:
(a) The right of the Association, as provided in its Articles of Incorporation and Bylaws, to suspend the enjoyment rights of any member for as long as any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; nonpayment or infraction, however, is not grounds for denying a member the right to use the private commons access to his residence.

(b) The right of the Association or Developer to dedicate or transfer all or any part of the private commons to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the voting members; provided, that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by the voting members entitled to cast two-thirds (2/3) of the votes has been recorded, agreeing to such dedications, transfer, purpose or conditions, and unless written notice of the proposed agreement and action thereof is sent to every member at least ninety (90) days in advance of any action taken.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the lien and personal obligation of assessments. Developer (for each lot owned by it within the properties), and each lot owner, by acceptance of a deed therefore (whether or not it shall be so expressed in any such deed or other conveyance), hereby covenant and shall be deemed to covenant and agree to pay to the Association (1) annual assessments or charges (which may be paid on a yearly basis); and (2) special assessments for capital improvements, replacements or repairs. Such assessments shall be fixed established and collected from time to time as provided in the Bylaws. Condominium unit owners shall collectively be considered as one lot owner, but shall be assessed on a pro rata basis. The annual and special assessments, together with such interest thereon, and cost of collection thereof as hereafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof, as hereafter provided, shall also be the personal obligation of the person who is the owner of such property at the time when the assessment fell due. Such lien shall be enforceable in a manner consistent with the

PAGE 4 DECLARATION OF CONDITIONS AND RESTRICTIONS
provisions of ORS Chapter 88 which governs foreclosures generally, or any other key statute or regulation governing foreclosure of Homeowner Association liens. The prevailing party shall be entitled to attorney's fees as provided by Article XI, Section 5 herein.

ARTICLE VI
ARCHITECTURAL REVIEW COMMITTEE

Section 1. An Architectural Review Committee shall be formed to insure the proper and harmonious development of the property consistent with the adjoining golf course and country club. The Board members of MICHELBOOK FIFTH AND SIXTH ADDITION HOMEOWNERS' ASSOCIATION shall be responsible to appoint members to the Architectural Review Committee. The Architectural Review Committee at all times shall consist of five (5) individuals, one of which shall always be a member appointed by Michelbook Estates, Inc. The Architectural Review Committee shall perform the functions outlined below:

Section 2. Owners will not construct, alter or maintain any improvement on the premises until:

(a) They have submitted to the Architectural Review Committee a complete set of plans and specifications therefore in form satisfactory to the Committee, showing insofar as is appropriate: (1) the size and dimensions of the improvement; (2) the exterior design, (3) the exterior color scheme, (4) the exact location of the improvement on the home site, (5) the location of driveways and parking areas, (6) the landscaping arrangement, and (7) the size, dimension and location of any outbuildings; and

(b) Such plans and specifications have been approved in writing by the Committee. Approval of said plans and specifications may be withheld not only because of their noncompliance with any of the restrictions and conditions contained herein, but also because of the reasonable dissatisfaction of said Committee with items set forth in paragraph (a) above which, in the reasonable judgment of
the Committee, would render the proposed improvement
inharmonious or out of keeping with the objectives or the
improvements erected on other home sites in the immediate
vicinity of the premises.

(c) If at any time the owner shall have submitted to the
Committee plans and specifications and the Committee
shall have neither approved such plans and specifications
within thirty (30) days from the date of their submission
nor notified the owner of its objections within such period
such plans and specifications shall be deemed to have been
approved by the Architectural Review Committee.
Similarly such restrictions shall apply to action upon any
revised plans and specifications. Upon completion of the
improvement and notice to the Committee, the Committee
shall have the right for a period of ten (10) days from
receipt of such notice to inspect said improvement for the
purpose of determining whether it complies with the plans
and specifications previously approved. Within then (10)
days thereafter, said Committee shall either approve said
improvement or notify the owner of changes necessary to
comply with the plans and specifications. In the event the
Committee does not act within said ten (10) day period, the
improvement shall conclusively be deemed to be
satisfactory to the Committee. All communications to the
Committee shall be delivered by hand or mail to the
Developer at its office in McMinnville, Oregon.

(d) The Architectural Review Committee has prepared and
architectural checklist setting forth general concepts for the
development of said tract which is available at the office of
the Developer. Such checklist may be modified from time
to time.

ARTICLE VII
EASEMENTS

Section 1. The Developer reserves for the benefit of the tract those areas
designated on said plat as easements and right-of-way for the purpose of construction of
utilities, including but not limited to streets, sewers, water, power, gas and telephone, for
the benefit of all lot owners in said tract.
Section 2. The Developer reserves for the benefit of the tract easements to permit the doing of every act necessary and proper to the playing of golf on the golf course adjacent to the lots which are subject to these restrictions. These acts shall include, but are not be limited to, the recovery of golf balls from such lots, the flight of golf balls over and upon such lots, the use of necessary and usual equipment upon such golf course, the usual and common noise level created by the playing of the game of golf, together with all the other common and usual activity associated with the game of golf and with all the normal and usual activities associated with the operation of a country club.

ARTICLE VIII
BUILDING RESTRICTIONS

Section 1. Maximum building height. The peak of the roof for units to be built within this development shall not exceed thirty-five (35) feet at the peak of the roof as measured from the nearest curb. Provided, however, that Lots 1, 2, 3, 4, and 5 of Michelbook's Fifth Addition shall be restricted to a single story of construction height as permitted by the City of McMinnville.

Section 2. Square feet to be contained in any house constructed. Any house constructed shall have a minimum area of 2000 square feet of living area on the ground floor; provided, however, that any condominium unit constructed thereon shall have a minimum area of 1,400 square feet of living area on the ground floor. Houses and condominium constructing a second floor shall have a maximum of 1,200 square feet of living area on the second story level.

Section 3. Set-back requirements. The minimum side yard requirement for a single-family lot shall be ten (10) feet. Front yard set-back requirements shall be twenty (20) feet. Rear yard set-back requirements shall be twenty (20) feet for lots not adjacent to the golf course, and thirty (30) feet for lots adjacent to the golf course. No improvement of any kind shall be constructed within the set back areas.

Section 4. Restrictions on carports. No carports shall be allowed in the development. Parking shall be provided by means of entirely enclosed parking facilities or garages. There will be also a 2-car minimum requirement for any garage or enclosed parking facility constructed.

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage.
lot. Rear fences on interior lots must be approved by the Architectural Review Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural Review Committee prior to construction. All fences shall look the same when viewed from either side (“good neighbor fence”). Fence construction of any type is subject to the approval by contiguous neighboring lot(s). These signed neighboring approval(s) are to accompany fence construction request review to the Architectural Review Committee. (The only exception to subject contiguous neighboring approval will be if contiguous neighboring lot is vacant of a dwelling.)

Section 6. Landscaping plans and installation must be approved by the Architectural Review Committee of the Association. At the discretion of the ACR, or at the request of contiguous neighbor(s), the contiguous neighbor(s) would have the right to testify before the ARC if they have objections or complaints as to proposed landscaping plan.

Section 7. Roofs shall be cedar shake, cedar shingle or tile, or approved by the Architectural Review Committee of the Association; however, under no circumstances will asphalt shingles be permitted or approved for usage.

Section 8. Lot Maintenance. In the event that any lot owner does not commence construction of a residence on said lot upon completion of all site improvements, he or she shall maintain said lot with a regular mowing of grasses so same does not exceed 12” in height; additionally grasses are to be as free of weeds as possible and lot of other foreign debris. All lot owners must mow and otherwise maintain their lot(s) to the equivalent of above said status or lot owner will pay a minimum fee of $85 (more dependent on actual cost of necessary services) to MICHELBOK FIFTH AND SIXTH ADDITION HOMEOWNERS’ ASSOCIATION each time it is deemed necessary by the MICHELBOK FIFTH AND SIXTH ADDITION HOMEOWNER ASSOCIATION’S ARC to contract for this maintenance service. Payment of said fee is due not later than thirty (30) days after issuance of billing to lot owner, which charge, if not paid within thirty (30) days, shall result in a lien against the property involved.

Section 9. Construction time limit. Unless otherwise agreed to between the Architectural Review Committee and the owner in writing, all construction on any lot must be completed and occupancy permit issued within 365 days from the date of the issuance of a building permit or from the date that the Architectural Review Committee
approves the plans and specifications, whichever is later. In the event that the owner does not comply with the aforementioned construction time limit, he agrees to pay MICHELBOOK FIFTH AND SIXTH ADDITION HOMEOWNERS' ASSOCIATION a $50.00 fine per day until all construction is completed and the required occupancy permits issued. Cumulative daily fine will be due the first day of each month, which if not paid within thirty (30) days, shall result in a lien against the property involved.

Section 10. Exterior building and outbuilding colors shall be natural, tans, beige, browns, or earth color, or approved by the Architectural Review Committee of the Association. In no circumstance shall pastel or vibrant exterior colors be approved by the Architectural Committee.

Section 11. Detached Improvements. Any detached improvement whatever must be approved by the Architectural Review Committee of the Association, and must be constructed of the same exterior roofing and siding materials used for the residence located on such lot.

Section 12. Construction Siding Materials. Residences shall be constructed of brick, stone, cedar, E.I.F.S., stucco, cemataitious board, or other like materials approved by the Architectural Review Committee, provided, however, that under no circumstances will T-111, T-303 or exterior paneling of similar type be permitted or approved for usage.

ARTICLE IX
GENERAL RESTRICTIONS

Section 1. Animals. No animals of any kind shall be raised, kept or permitted upon the premises or any part thereof other than dogs, cats, fish, hamsters, and birds which are not kept, bred or raised thereon for commercial purposes or in unreasonable numbers, and which are reasonably controlled to avoid their being a nuisance to other Owners. Dogs are not to run free, i.e. must be restrained via effective verbal command, leashed, or some other equally effective manner. All animal fecal matter is to be picked up and properly disposed of immediately after deposit of such matter. No animal confinement pen or structure shall be constructed or maintained outside of the residence located on the lot.
Section 2. Manufactured or Mobile Homes, Temporary Structures. No manufactured or mobile home, permanent or temporary structure shall be allowed in the development, with the exception of a permitted construction type of modular office to be used only during the period of construction. Approval shall rest with the Architectural Review Committee for granting such a permit.

Section 3. Motor Homes, Recreational Vehicles, Campers, Boats, or Travel Trailers. No camper, motor home, recreational vehicle, boat, or travel trailer shall be permitted to be left on the owner or tenant occupied drive, street side, front, side or rear yard for a period exceeding two (2) days. Campers, motor homes, recreational vehicles, boats, or travel trailers may be left on a lot or adjacent thereto for a reasonable period of time to permit cleaning, loading or unloading, not to exceed the applicable limitation provided by the City of McMinnville ordinance governing such subject. Storage of any motor home, camper, recreational vehicle, boats or travel trailers on a lot for more than five (5) days shall be entirely within a garage or other outside structure construction of which has been approved by the Architectural Review Committee of the Association.

Section 4. Trash or Refuse. No open air trash, refuse or garden material burning will be allowed at any time on any property included in this development. No garbage, trash or refuse will be allowed to accumulate on property contained in this development. Failure to such trash, refuse and garden material will result in the Association having such removed and presenting the owner of the property with a charge for said removal, which charge, if not paid with thirty (30) days, shall result in a lien being recorded against the property involved.

Section 5. Commercial Business. No commercial business of any type shall be allowed to be established on or operated from this development.

Section 6. Non-usable Motor Vehicles. There shall not be stored, parked or kept upon said lots or tracts in open and plain view any motor vehicle which is in a rusted, wrecked, junked or partially dismantled or inoperative or abandoned condition, whether attended or not, unless it is completely enclosed within a building. Any such motor vehicle shall constitute a condition tending to reduce the value of the property; to invite plundering; to create fire hazards; to constitute and attractive nuisance creating a hazard to the health and safety of minors, and to be a nuisance; and it shall be the duty of the owner of the property or of the lessee or other person in possession of the property upon which such vehicle is located, either to remove the same or have the same housed in an entirely enclosed building where it will not be visible from the street or other property within the development.
Section 7. One family per single unit dwelling. No more than one (1) family shall be allowed to dwell in a single unit family dwelling. This does not apply to overnight guests, temporary visitors, or in-house domestic employees.

Section 8. No offensive noise or activities. No resident or guest of a resident shall make any offensive noises or conduct any activity which offends or interferes with other residents’ use of their property or the private commons.

Section 9. Restrictions on lake activities. No resident or guest shall utilize the adjacent lake located on the Developer’s property for fishing, boating or other lake related purposes.

Section 10. Swimming pool construction. Swimming pools constructed on lots shall be entirely of the underground type. No above ground swimming pools may be installed or constructed on any lot.

Section 11. Satellite dishes and antennas. No satellite dish, antenna, weather vane or other attachment shall extend more than thirty-six (36) inches above the roof line of a residence at the point of attachment, and shall not exceed a total of thirty-five (35) feet of height at its highest projection. Satellite dishes may not exceed twenty (20) inches diameter in size.

ARTICLE X
GENERAL PROVISIONS

Section 1. Duration. The covenants, easements and restrictions contained herein are to run with the land for the benefit of each owner of land in such subdivision, bind the respective successors in interest of the present owner thereof. These covenants, and restrictions shall remain in full force and effect for a period of thirty (30) years from the date of recording this declaration, and said covenants and restrictions shall terminate thereafter only upon the written agreement of not less than ninety percent of the record owners of the lots contained in said tract.

Section 2. Enforcement. The Association, or any owner, or the owner of any recorded mortgage contract vendor or recorded trust deed on any part of said property shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, easements, liens, liens or charges now or hereafter imposed by the provisions of this declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

PAGE 11 DECLARATION OF CONDITIONS AND RESTRICTIONS
Section 3. Access of City Police, Fire and Ambulance. All streets, roads, and highways located upon the property shall be owned and open to use by the police, fire and ambulance departments of the City of McMinnville to provide any services required within their assigned responsibilities. The City shall also have further authority to enter upon said streets, roads, and ways to enforce all ordinances of the City and traffic laws of the State of Oregon and to issue citations for any violations thereof.

Section 4. Severability. Invalidation of any of these covenants and restrictions by judgment or court order shall in no way affect any of the other provisions herein which shall remain in full force and effect.

Section 5. Amendments. The covenants and restrictions of this Declaration may be amended by not less than ninety (90%) of the voting members. Any amendment shall be properly recorded. Easements herein granted and reserved shall not be amended except by instrument signed and acknowledged by one hundred percent (100%) of the owners of said property, the beneficial party under such easement if other than an owner, and the Developer.

Section 6. Attorney Fees. In case suit or action is instituted to enforce any of the provisions hereof, the losing party agrees to pay such sum as the trial court may adjudge reasonable as attorney’s fees to be allowed the prevailing party in said suit or action, and if an appeal is taken from any judgment or decree of such trial court, the losing party shall pay such sum as the appellate court shall adjudge reasonable as prevailing party’s attorney’s fees on such appeal.
IN WITNESS WEREOF, Michelbook Fifth and Sixth Additions Homeowners’ Association has adopted the above CC&R changes on this 14th day of Feb., 2003, in accordance with the Declaration and the provisions of ORS 94.590(3), as amended.

MICHELBOOK FIFTH AND SIXTH ADDITION HOMEOWNERS’ ASSOCIATION,

By:  
William Cooper - President  
Jim Thigpen - Secretary

On this 11th day of Feb., 2003, personally appeared the above named William Cooper and Jim Thigpen, as President and Secretary of Michelbook Fifth and Sixth Additions Homeowners’ Association, respectively, and acknowledged the foregoing instrument to be their voluntary act and deed.

Tammy J. Runyon  
Notary Public,  
My Commission expires 4-16-04

Notary Seal

PAGE 13 DECLARATION OF CONDITIONS AND RESTRICTIONS
RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS
FOR MICHELBOOK'S FIFTH AND SIXTH ADDITIONS
A Residential Community with Common Facilities

DECLARATION

THIS SECOND RESTATED DECLARATION, made this ___ day of ___________ 2003, by MICHELBOOK ESTATES, INC., an Oregon corporation, hereafter called the "Developer". The ORIGINAL DECLARATION was made 4th day of February 1999 and amendments to the ORIGINAL DECLARATION were made 3rd day of July 2001 and amendments to the ORIGINAL were made in a RESTATED DECLARATION made the 18th day of February 2003.

WITNESSETH:

Whereas MICHELBOOK ESTATES, Inc. is the owner of the real property described in this declaration and desires to create thereon a residential community with common facilities for the benefit of said community. This community shall be referred to as the "Michelbook Fifth and Sixth Addition Homeowners' Association", which at the time of adoption of these Covenants and Restrictions Consists of Michelbook's Fifth and Sixth Additions to the City of McMinnville, Yamhill County, Oregon; and

Whereas, Michelbook Estates, Inc. has deemed it desirable for the efficient preservation of the values and amenities in said community to create an agency to which should be delegated and assigned the powers of maintaining, administering, and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created. This agency shall be referred to as the "Michelbook Fifth and Sixth Addition Homeowners' Association",

ARTICLE I

DEFINITIONS The following words, when used in this declaration, or any subsequent or supplemental declaration (unless the context shall prohibit), shall have the following meanings:

Section 1. "Association" shall mean and refer to the Michelbook Fifth and Sixth Addition Homeowners' Association, a non-profit corporation organized and existing under the laws of the State of Oregon.
Section 2. “Association of Members” shall mean all the owners and other persons entitled to vote, acting as a group, in accordance with the declaration and bylaws.

Section 3. “Building” shall mean a multiple unit building or a single unit building, or any combination thereof, comprising a part of the property.

Section 4. “Common Expenses” shall mean the expenses of administration, maintenance, repair or replacement of the private commons, expenses agreed upon as common by the owners, and expenses declared common by this declaration, or the bylaws of the Association.

Section 5. “Declaration” shall mean these Covenants and Restrictions and any written amendments and supplements thereto.

Section 6. “Lot” shall mean a part of the property, including a building of one or more rooms intended for any type of independent use, and with a direct exit to a public street or highway or to an area or areas leading to a public street or highway.

Section 7. “Member” shall mean that person or entity having a voting right in the Association pursuant to this declaration and the Articles of Incorporation and bylaws of the Association.

Section 8. “Owner” shall mean the record owner, or contract purchaser, whether one or more persons or entities, or a fee simple title to any lot, plot or living unit situated upon the properties, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee or holder of a trust deed unless and until such mortgagee or holder of the trust deed has acquired full title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 9. “Private Commons” shall mean parks, commons, streets, foot ways, buildings, structures, walls, roofs, personal properties, and any and all other properties maintained by the Association for the common benefit and enjoyment of all of the members of the Association.

Section 10. “Properties” or “Property” shall mean the land, whether leasehold or in fee simple, all buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, which are under this declaration, Articles of Incorporation, and bylaws of the Association.
ARTICLE II
PROPERTIES SUBJECT TO THE DECLARATION

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to the declaration is located in Yamhill County, Oregon, and is more particularly described as set forth upon that document attached hereto and made a part hereof as though fully set forth herein, and marked Exhibit “A”, all of which said real property shall hereinafter be referred to as “existing property”.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Present Wording of ARTICLE III, SECTION 1 & 2:
Section 1. Membership. Every person or entity which is an owner shall be a member, and the Developer shall be a member.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all the lot owners. An owner’s proportionate share of the revenue and expense associated with the private cartons shall be equal to his proportionate voting share in the Association. Each Class A owner shall have one vote per lot owned except as to condominium developments where each condominium unit owner shall be a member as defined by Article I, Section 7, and an owner as defined by Article I, Section 8 hereof; and shall have one vote per condominium unit owned, whether the lot or condominium owner is a corporation, an association, a partnership, or a husband and wife. When more than one person holds such interest in any lot, all such persons shall exercise their vote as a unit; provided, however, if a voting dispute arises, the multi-person owner shall not be entitled to a vote unless the dispute be resolved as they among themselves shall decide.

Class B: The Class B member shall be the Developer. The Class B member shall be entitled to two times the votes for each lot or unit owned by a Class A member for the lots or condominium units within Association properties; provided, however, that the Class B membership shall cease and become converted to Class A membership upon the happening of any of the following events: (a) When fifty percent (50%) of the lots or
condominium units set forth upon this declaration to be filed have been sold; or (b) On the 31st day of December, 1999. From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each lot then unsold and in which the Developer holds the interest required for membership under this declaration.

ARTICLE IV
PROPERTY RIGHTS IN PRIVATE COMMONS

Section 1. Members' Easement of Enjoyment. Subject to the provisions of Section 3 of this Article IV, every member shall have a right and easement of enjoyment in and to the private commons and such easement shall be appurtenant to and shall pass with the title to every lot or living unit.

Section 2. Title to Private Commons. The title to the private commons shall be vested in the owners. Each owner in Michelbook's Fifth and Sixth Additions to the City of McMinnville, Yamhill County, Oregon, shall have an equal and undivided interest per lot owned in the private commons of Michelbook's Fifth and Sixth Additions.

Section 3. Extent of Members' Easement. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association, as provided in its Articles of Incorporation and Bylaws, to suspend the enjoyment rights of any member for as long as any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; nonpayment or infraction, however, is not grounds for denying a member the right to use the private commons access to his residence.

(b) The right of the Association or Developer to dedicate or transfer, subject to membership acceptance thereof, all or any part of the private commons to any public, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members; provided, that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by the members entitled to cast two-
thirds (2/3) of the votes of each class of membership has been recorded, agreeing to such dedications, transfer, purpose or conditions, and unless written notice of the proposed agreement and action thereof is sent to every member at least ninety (90) days in advance of any action taken.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the lien and personal obligation of assessments. Developer, for each lot owned by it within the properties, hereby covenants with, and each owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association (1) annual assessments or charges (which may be paid on a monthly basis), (2) special assessments for capital improvements, replacements or repairs, such assessments to be fixed, established and collected from time to time as provided in Section 10.10 of the Bylaws. The annual and special assessments, together with such interest thereon, and costs of collection thereof as hereafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof, as hereafter provided, shall also be the personal obligation of the person who is the owner of such property at the time when the assessment fell due. Such lien shall be enforceable in a manner consistent with the provisions of ORS Chapter 88 which governs foreclosures generally, or any other key statute or regulation governing foreclosure of Homeowner Association liens. The prevailing party shall be entitled to attorney’s fees as provided by Article XI, Section 5 herein.

ARTICLE VI
ARCHITECTURAL REVIEW COMMITTEE

Section 1. An Architectural Committee shall be formed to insure the proper and harmonious development of the property consistent with the adjoining golf course and country club. Initially, the Developer shall be responsible to appoint members to the Architectural Committee, of which not less than one shall be a lot owner. However, at such time as the Class B membership shall cease, the Association shall be responsible to appoint members to the Architectural Committee. The Architectural

PAGE 5/DECLARATION OF CONDITIONS AND RESTRICTIONS
Committee shall at all times consist of as many persons, not less than three (3), as the Developer or the Association shall appoint, and shall at all times contain a member appointed by Michelbook Estates, Inc. The Architectural Committee shall perform the functions outlined below:

Section 2. Owners will not construct, alter or maintain any improvement on the premises until:

(a) They have submitted to the Architectural Review Committee a complete set of plans and specifications therefore in form satisfactory to the Committee, showing insofar as is appropriate: (1) the size and dimensions of the improvement; (2) the exterior design, (3) the exterior color scheme, (4) the exact location of the improvement on the home site, (5) the location of driveways and parking areas, (6) the landscaping arrangement, and (7) the size, dimension and location of any outbuildings; and

(b) Such plans and specifications have been approved in writing by the Committee. Approval of said plans and specifications may be withheld not only because of their noncompliance with any of the restrictions and conditions contained herein, but also because of the reasonable dissatisfaction of said Committee with items set forth in paragraph (a) above which, in the reasonable judgment of the Committee, would render the proposed improvement inharmonious or out of keeping with the objectives or the improvements erected on other home sites in the immediate vicinity of the premises.

(c) If at any time the owner shall have submitted to the Committee plans and specifications and the Committee shall have neither approved such plans and specifications within thirty (30) days from the date of their submission nor notified the owner of its objections within such period such plans and specifications shall be deemed to have been approved by the Architectural Review Committee. Similarly such restrictions shall apply to action upon any revised plans and specifications. Upon completion of the
improvement and notice to the Committee, the Committee shall have the right for a period of ten (10) days from receipt of such notice to inspect said improvement for the purpose of determining whether it complies with the plans and specifications previously approved. Within then (10) days thereafter, said Committee shall either approve said improvement or notify the owner of changes necessary to comply with the plans and specifications. In the event the Committee does not act within said ten (10) day period, the improvement shall conclusively be deemed to be satisfactory to the Committee. All communications to the Committee shall be delivered by hand or mail to the Developer at its office in McMinnville, Oregon.

(d) The Architectural Review Committee has prepared and architectural checklist setting forth general concepts for the development of said tract which is available at the office of the Developer. Such checklist may be modified from time to time.

ARTICLE VII
EASEMENTS

Section 1. The Developer reserves for the benefit of the tract those areas designated on said plat as easements and right-of-way for the purpose of construction of utilities, including but not limited to streets, sewers, water, power, gas and telephone, for the benefit of all lot owners in said tract.

Section 2. The Developer reserves for the benefit of the tract easements to permit the doing of every act necessary and proper to the playing of golf on the golf course adjacent to the lots which are subject to these restrictions. These acts shall include, but are not be limited to, the recovery of golf balls from such lots, the flight of golf balls over and upon such lots, the use of necessary and usual equipment upon such golf course, the usual and common noise level created by the playing of the game of golf, together with all the other common and usual activity associated with the game of golf and with all the normal and usual activities associated with the operation of a country club.

ARTICLE VIII
BUILDING RESTRICTIONS

Section 1. Maximum building height. The peak of the roof for units to be
built within this development shall not exceed thirty-five (35) feet at the peak of the roof as measured from the nearest curb. Provided, however, that Lots 1, 2, 3, 4, and 5 of Michelbook’s Fifth Addition shall be restricted to a single story of construction height as permitted by the City of McMinnville.

Section 2. Square feet to be contained in any house constructed. Any house constructed shall have a minimum area of 2000 square feet of living area on the ground floor; provided, however, that any condominium unit constructed thereon shall have a minimum area of 1,400 square feet of living area on the ground floor. Houses and condominium constructing a second floor shall have a maximum of 1,200 square feet of living area on the second story level.

Section 3. Set-back requirements. The minimum side yard requirement for a single-family lot shall be ten (10) feet. Front yard set-back requirements shall be twenty (20) feet. Rear yard set-back requirements shall be twenty (20) feet for lots not adjacent to the golf course, and thirty (30) feet for lots adjacent to the golf course. No improvement of any kind shall be constructed within the set back areas.

Section 4. Restrictions on carports. No carports shall be allowed in the development. Parking shall be provided by means of entirely enclosed parking facilities or garages. There will be also a 2-car minimum requirement for any garage or enclosed parking facility constructed.

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot. Rear fences on interior lots must be approved by the Architectural Review Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood or masonry, and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural Review Committee prior to construction. All fences shall look the same when viewed from either side (“good neighbor fence”). Fence construction of any type is subject to the approval by contiguous neighboring lot(s). These signed neighboring approval(s) are to accompany fence construction request review to the Architectural Review Committee. (The only exception to subject contiguous neighboring approval will be if contiguous neighboring lot is vacant of a dwelling.)

Section 6. Landscaping plans and installation must be approved by the

PAGE 8/DECLARATION OF CONDITIONS AND RESTRICTIONS
Architectural Review Committee of the Association. At the discretion of the ACR, or at the request of contiguous neighbor(s), the contiguous neighbor(s) would have the right to testify before the ARC if they have objections or complaints as to proposed landscaping plan.

**Section 7.** Roofs shall be cedar shake, cedar shingle or tile, or approved by the Architectural Review Committee of the Association; however, under no circumstances will asphalt shingles be permitted or approved for usage.

**Section 8.** Lot Maintenance for single family dwelling. In the event that any single family lot owner does not commence construction of a residence on said lot, lot owner shall maintain said lot throughout the year with a regular mowing of the lot so that all growing vegetation does not exceed six (6") inches in height. Additionally, the lot must be free of weeds as possible and lot must contain no other foreign debris. All lot owners must mow and otherwise maintain their lot(s) to the equivalent of above said status or lot owner will pay a minimum fee of $85, or actual cost if more than $85, to MICHELBOOK FIFTH AND SIXTH ADDITION HOMEOWNERS’ ASSOCIATION each time it is deemed necessary by the MICHELBOOK FIFTH AND SIXTH ADDITION HOMEOWNER ASSOCIATION’S ARC to contract for this maintenance service. If it becomes necessary for the ARC to stimulate the lot owner with a reminder, **ONLY ONE REMINDER SHALL BE GIVEN**, and if maintenance is not accomplished within ten (10) days of the postmark date of this written reminder the ARC will automatically, with no cancellation possibility, contract to have maintenance performed and lot owner will owe MICHELBOOK FIFTH AND SIXTH ADDITION HOMEOWNER ASSOCIATION $85, or actual cost if more than $85. Payment of said fee is due not later than thirty (30) days after issuance of billing to lot owner, which charge, if not paid within thirty (30) days, shall result in the filing of a lien against the property involved. The lien will also include a LATE FEE CHARGE for each month that the maintenance service charge is delinquent beyond the initial thirty (30) days. The initial LATE FEE CHARGE shall be $10.00 for the first month, and shall increase in increments of $5.00 for each additional month that the service charge remains unpaid.

**Section 9.** Construction time limit. Unless otherwise agreed to between the Architectural Review Committee and the owner in writing, all construction on any lot must be completed and occupancy permit issued within 365 days from the date of the issuance of a building permit or from the date that the Architectural Review Committee approves the plans and specifications, whichever is later. In the event that the owner does not comply with the aforementioned construction time limit, he agrees to pay MICHELBOOK FIFTH AND SIXTH ADDITION HOMEOWNERS’ ASSOCIATION a $50.00 fine per day until all construction is completed and the required occupancy permits issued. Cumulative daily fine will be due the first day of each month, which if not paid within thirty (30) days, shall result in a lien against the property involved.

PAGE 9/DECLARATION OF CONDITIONS AND RESTRICTIONS
Section 10. Exterior building and outbuilding colors shall be natural, tans, beige, browns, or earth color, or approved by the Architectural Review Committee of the Association. In no circumstance shall pastel or vibrant exterior colors be approved by the Architectural Committee.

Section 11. Detached Improvements. Any detached improvement whatever must be approved by the Architectural Review Committee of the Association, and must be constructed of the same exterior roofing and siding materials used for the residence located on such lot.

Section 12. Construction Siding Materials. Residences shall be constructed of brick, stone, cedar, E.I.F.S., stucco, cematious board, or other like materials approved by the Architectural Review Committee, provided, however, that under no circumstances will T-111, T-303 or exterior paneling of similar type be permitted or approved for usage.

ARTICLE IX
GENERAL RESTRICTIONS

Section 1. Animals. No animals of any kind shall be raised, kept or permitted upon the premises or any part thereof other than dogs, cats, fish, hamsters, and birds which are not kept, bred or raised thereon for commercial purposes or in unreasonable numbers, and which are reasonably controlled to avoid their being a nuisance to other Owners. Dogs are not to run free, i.e. must be restrained via effective verbal command, leashed, or some other equally effective manner. All animal fecal matter is to be picked up and properly disposed of immediately after deposit of such matter. No animal confinement pen or structure shall be constructed or maintained outside of the residence located on the lot.

Section 2. Manufactured or Mobile Homes, Temporary Structures. No manufactured or mobile home, permanent or temporary structure shall be allowed in the development, with the exception of a permitted construction type of modular office to be used only during the period of construction. Approval shall rest with the Architectural Review Committee for granting such a permit.

Section 3. Motor Homes, Recreational Vehicles, Campers, Boats, or Travel Trailers. No camper, motor home, recreational vehicle, boat, or travel trailer shall be permitted to be left on the owner or tenant occupied drive, street side, front, side or rear yard for a period exceeding two (2) days. Campers, motor homes, recreational
vehicles, boats, or travel trailers may be left on a lot or adjacent thereto for a reasonable period of time to permit cleaning, loading or unloading, not to exceed the applicable limitation provided by the City of McMinnville ordinance governing such subject. Storage of any motor home, camper, recreational vehicle, boats or travel trailers on a lot for more than five (5) days shall be entirely within a garage or other outside structure construction of which has been approved by the Architectural Review Committee of the Association.

Section 4. Trash or Refuse. No open air trash, refuse or garden material burning will be allowed at any time on any property included in this development. No garbage, trash or refuse will be allowed to accumulate on property contained in this development. Failure to such trash, refuse and garden material will result in the Association having such removed and presenting the owner of the property with a charge for said removal, which charge, if not paid with thirty (30) days, shall result in a lien being recorded against the property involved.

Section 5. Commercial Business. No commercial business of any type shall be allowed to be established on or operated from this development.

Section 6. Non-usable Motor Vehicles. There shall not be stored, parked or kept upon said lots or tracts in open and plain view any motor vehicle which is in a rusted, wrecked, junked or partially dismantled or inoperative or abandoned condition, whether attended or not, unless it is completely enclosed within a building. Any such motor vehicle shall constitute a condition tending to reduce the value of the property; to invite plundering; to create fire hazards; to constitute and attractive nuisance creating a hazard to the health and safety of minors, and to be a nuisance; and it shall be the duty of the owner of the property or of the lessee or other person in possession of the property upon which such vehicle is located, either to remove the same or have the same housed in an entirely enclosed building where it will not be visible from the street or other property within the development.

Section 7. One family per single unit dwelling. No more than one (1) family shall be allowed to dwell in a single unit family dwelling. This does not apply to overnight guests, temporary visitors, or in-house domestic employees.

Section 8. No offensive noise or activities. No resident or guest of a resident shall make any offensive noises or conduct any activity which offends or interferes with other residents' use of their property or the private commons.

Section 9. Restrictions on lake activities. No resident or guest shall utilize the adjacent lake located on the Developer's property for fishing, boating or other lake related purposes.
Section 10. Swimming pool construction. Swimming pools constructed on lots shall be entirely of the underground type. No above ground swimming pools may be installed or constructed on any lot.

Section 11. Satellite dishes and antennas. No satellite dish, antenna, weather vane or other attachment shall extend more than thirty-six (36) inches above the roof line of a residence at the point of attachment, and shall not exceed a total of thirty-five (35) feet of height at its highest projection. Satellite dishes may not exceed twenty (20) inches diameter in size.

ARTICLE X
GENERAL PROVISIONS

Section 1. Duration. The covenants, easements and restrictions contained herein are to run with the land for the benefit of each owner of land in such subdivision, bind the respective successors in interest of the present owner thereof. These covenants, and restrictions shall remain in full force and effect for a period of thirty (30) years from the date of recording this declaration, and said covenants and restrictions shall terminate thereafter only upon the written agreement of not less than ninety percent of the record owners of the lots contained in said tract.

Section 2. Enforcement. The Association, or any owner, or the owner of any recorded mortgage contract vendor or recorded trust deed on any part of said property shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, easements, liens, liens or charges now or hereafter imposed by the provisions of this declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Access of City Police, Fire and Ambulance. All streets, roads, and highways located upon the property shall be owned and open to use by the police, fire and ambulance departments of the City of McMinville to provide any services required within their assigned responsibilities. The City shall also have further authority to enter upon said streets, roads, and ways to enforce all ordinances of the City and traffic laws of the State of Oregon and to issue citations for any violations thereof.

Section 4. Severability. Invalidation of any of these covenants and restrictions by judgment or court order shall in no way affect any of the other provisions herein which shall remain in full force and effect.

PAGE 12/DECLARATION OF CONDITIONS AND RESTRICTIONS
Section 5. Amendments. The covenants and restrictions of this Declaration may be amended by not less than ninety (90%) of the voting members. Any amendment shall be properly recorded. Easements herein granted and reserved shall not be amended except by instrument signed and acknowledged by one hundred percent (100%) of the owners of said property, the beneficial party under such easement if other than an owner, and the Developer.

Section 6. Attorney Fees. In case suit or action is instituted to enforce any of the provisions hereof, the losing party agrees to pay such sum as the trial court may adjudge reasonable as attorney’s fees to be allowed the prevailing party in said suit or action, and if an appeal is taken from any judgment or decree of such trial court, the losing party shall pay such sum as the appellate court shall adjudge reasonable as prevailing party’s attorney’s fees on such appeal.

IN WITNESS WEREOF, Michelbook Fifth and Sixth Additions Homeowners’ Association has adopted the above CC&R changes on this 12th day of May, 2003, in accordance with the Declaration and the provisions of ORS 94.590(3) as amended.

MICHELBOK FIFTH AND SIXTH ADDITION HOMEOWNERS’ ASSOCIATION,

By: [Signature]       By: [Signature]
William Cooper - President   Jim Thigpen - Secretary

On this 23rd day of May, 2003, personally appeared the above named William Cooper and Jim Thigpen, as President and Secretary of Michelbook Fifth and Sixth Additions Homeowners’ Association, respectively, and acknowledged the foregoing instrument to be their voluntary act and deed.

[Signature]
Notary Public,
My Commission expires 8/26/05

Notary Seal

PAGE 13/DECLARATION OF CONDITIONS AND RESTRICTIONS
RESTATED BYLAWS OF
MICHELBOOK FIFTH AND SIXTH ADDITIONS
HOMEOWNER’S ASSOCIATION

THIS RESTATED BYLAWS, made this 11th day of May, 2006 by MICHELBOOK ESTATES, INC., an Oregon corporation, hereafter called the “Developer”. The ORIGINAL BYLAWS was made 4th day of February, 1999 and amendments to the ORIGINAL DECLARATION were made 26th day of June, 2001

CHAPTER 1
DEFINITIONS

1.05 The following words when used in these Bylaws shall have the following meanings:

1.10 “Association” shall mean and refer to the Michelbook Homeowners’ Fifth and Sixth Additions Association, a non-profit corporation organized and existed under the laws of the State of Oregon.

1.15 “Association of Members” shall mean all the owners and other persons entitled to vote, acting as a group, in accordance with the Declaration and By Laws.

1.20 “Building” shall mean a multiple unit building or a single unit building, or any combination thereof, comprising a part of the property.

1.25 “Common Expenses” shall mean the expenses of administration, maintenance, repair or replacement of the private commons, expenses agreed upon as common by the owners, and expenses declared common by these Bylaws of this Association and the Declaration of Covenants and Restrictions.

1.30 “Declaration” shall mean the covenants and restrictions, previously filed in Yamhill County plus amendments and supplements thereto.

1.35 “Lot” shall mean a part of the property, including a building of one or more rooms intended for any type of independent use, and with a direct exit to a public street or highway or to a common area or areas leading to a public street or highway.

1.40 “Majority of Members” shall mean those persons or entities holding fifty-one percent (51%) of the votes in accordance with the percentages and voting rights assigned in the Declaration.
1.45 "Manager" shall mean the manager of Board of Managers or other person or persons in charge of the administration of or managing the Association and the properties.

1.50 "Members" shall mean that person or entity having a voting right in the Association pursuant to the Declaration and the Articles of Incorporation, and these Bylaws.

1.55 "Owner" shall mean the record owner, or contract purchaser, whether one or more persons or entities, or a fee simple title to any lot, plot or living unit situated upon the properties, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee or holder of a trust deed unless and until such mortgagee or holder of a trust deed has acquired full title pursuant to foreclosure or any proceeding in lieu of foreclosure.

1.60 "Private Commons" shall mean parks, commons, streets, footways, buildings, structures, walls, roofs, personal properties, and any and all other properties maintained by the Association for the common benefit of all the members of the Association.

1.65 "Properties" or "Property" shall mean the land, whether leasehold or in fee simple, all buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, which are under these Bylaws, the Declaration and Articles of the Association.

CHAPTER 2
MEMBERSHIP

2.05 The method of selection of members and the rights of members are as set forth in the Declaration, the Articles of Incorporation and these Bylaws.

2.10 The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of, and becomes a lien upon, the property against which such assessments are made as provided in the Declaration to which the properties are subject and recorded and the Articles of Incorporation.

2.15 The membership rights of any person whose interest in the properties are
subject to assessment under the Declaration, Articles of Incorporation and these Bylaws, may be suspended by action of the directors during the period when the assessments remain unpaid; but upon payment of such assessments, his rights and privileges shall be automatically restored.

CHAPTER 3
PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

3.05 Each member and guest shall be entitled to the use and enjoyment of the private commons and facilities provided by the Declaration and the Articles of Incorporation and these Bylaws.

CHAPTER 4
BOARD OF DIRECTORS

4.05 The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, from among the members, provided that husband and wife may not serve as directors simultaneously.

4.10 The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts as are not by law or by these Bylaws directed to be done by the owners specifically. The directors’ responsibilities include but are not limited to the care, upkeep and surveillance of the properties; the collection of monthly assessments from the owners in accordance with these Bylaws; the designation and dismissal of personnel necessary for the maintenance and operation of the properties, the private commons, and this Association; to call special meetings of the members as set forth in these Bylaws; to adopt and publish rules and regulations governing the use of the private commons and the personal conduct of the members and their guests; to cause to be kept complete records of all its acts and corporate affairs and present a statement thereof to the members at the annual meeting of the members or at any special meeting at which such statement is requested in writing by five percent (5%) of the voting membership as provided by these Bylaws.

4.15 The Board of Directors may employ and establish compensation for a management agent who shall be an officer or assistant officer of the Association to perform such duties and services as the Board shall authorize, including but not limited to the carrying out of the duties set forth in Section 4.10 of this chapter.

4.20 The first meeting of the newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the
meeting at which such directors were elected and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

4.25 Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings of the Board of Directors shall be given by the Secretary on five (5) days’ notice to each Director, personally or by mail, telephone, e-mail or telegraph, which notice shall state the time and place of the meeting.

4.30 Special meetings of the Board of Directors may be called by the President on twenty-four (24) hours’ notice to each director, given personally or by mail, telephone, e-mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of any one (1) director.

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

4.36 Board members who are personally involved in a decision that must be made by the Board, or a committee that answers to the Board, must dismiss themselves from the process.

4.40 The Board of Directors shall require that all officers and employees of the Association handling, or responsible for, Association funds shall furnish adequate fidelity bonds, the premiums on such bonds to be paid by the Association.

CHAPTER 5
NOMINATION, ELECTION, AND TERM OF OFFICE OF DIRECTORS

5.05 Nominations for elections to the Board of Directors shall be made by a Nominating Committee constituted as set forth in these Bylaws.

5.10 A Nominating Committee shall meet at least fifteen (15) days prior to the annual meeting and shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. The Nominating Committee shall make every effort to ensure that each division (Turnberry, Michelbook 5th, and Michelbook 6th) of the HOA is represented, by offering this opportunity during the election process.
5.15 At the annual meeting or at a special meeting called for elections, the Nominating Committee shall present its nominations to the membership, and the President shall thereupon invite additional nominations from the floor. No nominee may be nominated by the committee or from the floor without the express oral consent of the nominee having been obtained prior to the nominee’s nomination. After the nominations are closed, the president shall call for the election of the directors by the Voting Members orally unless at least three (3) Voting Members demand that the election shall be in writing, in which event, the President shall immediately direct the Secretary to prepare written ballots and the election shall proceed by written ballot. The announcement of the winners shall be made at the meeting or as soon thereafter, in the event of a written ballot, as may be conveniently made in writing to the members. The President may designate an Election Committee to count the ballots from among the Voting Members.

5.20 At any regular or special meeting of the members duly called, any one or more of the directors may be removed with, or without, cause by a two-thirds (2/3) vote of the Voting Members present, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

5.25 Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Association shall be filled by a vote of the majority of the remaining directors, and each person so elected shall be a director until his successor is elected at the next annual meeting of the Association or a special meeting called for that purpose.

5.30 At the first meeting of the directors following the first meeting of members, the directors shall determine as between themselves by lot, that the term of two directors shall be for three (3) years, the term of two directors shall be for two (2) years, and the term of one director shall be for one (1) year. At the expiration of the initial term of office for each director, his successor shall be chosen for a term of three (3) years as provided in these Bylaws.

CHAPTER 6
OFFICERS

6.05 The principal officer of the Association shall be a Chairperson, hereinafter call President, a Vice President, and a Secretary-Treasurer, all of whom will be elected by and from the Board of Directors. The directors may appoint an Assistant Treasurer or Assistant Secretary and such other officers as in their judgment may be necessary, which said officer or assistant officer need not be members of the Association.
6.10 The officer of the Association shall be elected annually by the Board of Directors, at the organizational meeting of each new Board, and shall hold office at the pleasure of the Board.

6.15 Upon the affirmative vote of a majority of the members of the Board of Directors, an officer may be removed either with or without cause, and his or her successor elected at any regular meeting of the Board of Directors, or any special meeting of the Board called for such purpose.

6.20 The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of President of an association, including but not limited to the power of appoint committees from among the owners from time to time as he may, in his or discretion, determine as appropriate to assist in the conduct of the affairs of the Association.

6.25 The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act, and have such other and further duties as the President shall determine. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on a temporary basis.

6.30 The Secretary-Treasurer shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association, shall have charge of the books, records, and papers of the Board of Directors and of the Association, and shall have the responsibility of the Association's funds and securities, and be responsible for keeping full and accurate accounts of all receipts and disbursements and books belonging to the Association. The Secretary-Treasurer shall carry out other and further duties and oversee the responsibilities of Assistant Secretaries and Assistant Treasurer under and pursuant to the direction and control of the Board of Directors. The Secretary-Treasurer may be compensated in such manner and in such amount as the Board of Directors shall deem appropriate.

6.35 The Architectural Review Committee shall not only oversee all community construction as set down by the Declaration, but also oversee and enforce lot maintenance and house/lawn maintenance as set forth by Declaration Article VIII Section 8 & 9.

6.40 Officers and directors other than the Secretary-Treasurer shall serve without compensation unless the owners, by a two-thirds (2/3) vote, shall approve of compensation for such officers or directors. Directors may receive reimbursement for all expenses incurred on behalf of the Association.
CHAPTER 7
MEETINGS OF MEMBERS

7.05 Meeting of the Association will be held at the principal office of the Association or at such other suitable place convenient to the owners as may be designed by the Board of Directors.

7.10 The second annual meeting of the Association will be held on the third Wednesday of June, and thereafter, the annual meetings of the Association will be held on the same day of each succeeding year if the same is not a holiday, and if it is a holiday, on the next succeeding business day. At such meetings, there shall be an election for the members of the HOA Board of Directors in accordance with these Bylaws, and the members may also transact such other business of the Association as may properly come before them.

7.15 The President may call a special meeting of the members at any time and shall do so upon request of two (2) Directors or upon a petition signed by ten percent (10%) of the members and having been duly presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

7.20 It shall be the duty of the Secretary-Treasurer to mail a notice of each annual or special meeting, stating the purpose thereof, including a statement as to any extraordinary business to be considered, as well as the time and place where it is to be held, to each member, at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this section shall be considered the serving of notice.

7.25 The presence in person or by proxy of fifty-one (51%) of those eligible to vote in accordance with the percentages assigned in the Declaration shall constitute a quorum.

7.30 Votes may be cast in person or by proxy. Proxies must be filed with the Secretary in writing before the appointed time of each meeting.

7.35 If any meeting of members cannot be organized because a quorum is not in attendance, the members who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time of original meeting was called.

Page 7/ BYLAWS
7.40 Except where there is something in the Articles, Declaration, or in these Bylaws to the contrary, the order of business and the method of proceeding with business shall be as set forth in the latest published revision of Roberts Rules of Order.

CHAPTER 8
COMMITTEES

8.05 The standing committees of the Association shall consist of an Architectural Review Committee (as established in the Declaration), and, such other standing committees as the Board of Directors shall determine. Subject to the Declaration, the duties of each committee shall be set fort by the Board of Directors and their membership shall be made up in such manner as may be determined, from time to time, by the Board of Directors.

8.10 In addition to the standing committees, the Association may have other temporary or special committees carrying out such duties and responsibilities as the Board of Directors may, from time to time, determine.

CHAPTER 9
OBLIGATIONS OF THE ASSOCIATION

9.05 Private Commons. The Association shall be responsible for the maintenance, upkeep and repair of all commons within the development. This shall be done in accordance with the Declaration and applicable city standards as set by the City of McMinnville.

CHAPTER 10
OBLIGATIONS OF THE OWNERS

10.05 Annual Assessment. All owners are obligated to pay, on a yearly basis during the second calendar quarter, the annual assessment imposed by the Association to meet all Association common expenses, which include but are not limited to a liability insurance policy, and a property and extended coverage insurance policy. Such assessment shall also include payments for general operating expenses and a reserve "rainy day" fund for maintenance, replacements, and upkeep of private commons.

(a) A Rainy-Day-Reserve of $5,000 shall be established and maintained by the
Page 8/ BYLAWS

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Board of Directors. This reserve is to be reviewed and adjusted annually as appropriate during the budget process in the second calendar quarter of each year. Any draw down or adjustment of said account will be completed via the next annual budget and assessment collection effort. The reserve shall be maintained in a CD or other interest bearing account.

(b) The Board of Directors will prepare the HOA annual fiscal year itemized budget (July 1st to June 30th) prior to mailing the annual assessment bills during the second calendar quarter. A copy of the new fiscal budget and associated ownership dues will arrive with the annual billing.

(b) The annual owners fee will be determined as follows:

Total operating forecasted expenses (based on historical actuals) plus a 20% funding allowance minus the current treasury balance divided by 69 (total HOA ownership units) equals the annual assessment per ownership unit.

10.10 Special Assessment. All owners are obligated to pay a special assessment for capital improvements, replacements or repairs. The nature and amount of such special assessments shall be approved by a majority of the members at a regularly scheduled meeting.

10.15 Each owner must perform promptly all maintenance and repair work on his own lot and building which, if omitted, would affect the properties belonging to other owners, be expressly responsible for damages and liabilities that his failure to do so may engender. An owner shall reimburse the Association for any expenditure incurred by it in repairing or replacing any part of the private commons damaged through the fault or negligence of an owner.

10.20 An owner shall not place or cause to be placed in the private commons any objects which could or do block normal transit through such private commons. An owner shall take no action which would unreasonably interfere with the use of the private commons by other owners.

10.25 Restrictions:

(a) No resident of a unit shall post any advertisement or poster of any kind in or upon the properties except as authorized by the Association.

(b) Residents shall exercise care about making noise that may disturb other residents.
10.30 Failure by the owner to pay any assessment by the Association shall be a default by the owner and subject the owner and the unit to the obligations of these Bylaws and the Declaration.

CHAPTER 11
AMENDMENTS

11.05 These Bylaws may be amended by the Association at a duly constituted meeting called for such purpose, but no amendment shall be effective unless approved by at least ninety percent (90%) of the Voting Members and until such amendment has been certified by the President and Secretary of the Association.

CHAPTER 12
ADMINISTRATIVE RULES AND REGULATIONS

12.05 The Board of Directors may promulgate, by two-thirds (2/3) vote, such additional administrative rules and regulations governing the details of the operation and use of the private commons as they shall, in their discretion, determine. Such rules and regulations shall be furnished to all members and shall be subject to change without notice.

CHAPTER 13
FINANCIAL ADMINISTRATION OF THE ASSOCIATION

13.05 In addition to a managing agent, the Board of Directors may employ for the Association such other and different persons necessary, useful or desirable for the maintenance, upkeep and repair of the private commons, or other Association purposes, as the Board of Directors shall determine.

13.10 Then managing agent shall have the authority to disburse funds only up to, but no in excess of, an amount to be determined by the Board of Directors. For any expenditure of funds over and above the said sum, the check or draft therefore shall contain the approval of, and the signature of, one of the three officers of the corporation in addition to that of the managing agent. The Association shall maintain such adequate books and records of account as good general business practice requires and for the purpose hereof may acquire the services of a professional accountant, public accountant, or certified public accountant.

13.15 The fiscal year of the Association shall be a calendar year such other year as the Board of Directors shall determine.
CHAPTER 14
INSURANCE

14.05 The private commons, including all parks, common streets, footways, buildings, structures, walls, roofs, personal properties, and any and all properties maintained by the Association for the common benefit and enjoyment of all members, Shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall afford protection against:

(a) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and

(b) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to vandalism and malicious mischief.

(c) Public liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association, including but not limited to hired automobile and non-owned automobile coverages, and with cross liability endorsement to cover liabilities of the owners as a group to an owner.

14.10 Workman’s Compensation policy to meet the requirements of law.

14.15 Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

14.20 Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

14.25 All insurance policies purchased by the Association shall be for the benefit of the Association and the owners, and shall provide that all proceeds covering property losses shall be paid to the Association. The duty of the Association shall be to receive such proceeds as are paid and hold the same for the purposes elsewhere stated herein and the benefit of the owners.

14.30 Proceeds of insurance policies received by the Association shall be distributed for the benefit of the owners in the following manner:

(a) Reconstruction or repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof. Any proceeds remaining after defraying such cost shall be held by the Association and distributed for the benefit of the owners as the Association may direct.
(b) Failure to reconstruct or repair. If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be held by the Association and distributed for the benefit of the owners as the Association may direct.

14.35 The Association is hereby irrevocably appointed agent for each owner and for each owner of a mortgage or other lien or any other interest in the private commons to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

CHAPTER 15
INDEMNIFICATION OF DIRECTORS AND OFFICERS

15.10 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 he or she 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 attorney’s fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he or she acted in good faith, and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his 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 he or she reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

15.20 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 he or she 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 attorney’s fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the 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 his or her duty to the corporation unless and only to the extent that the court is 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 indemnity for such expenses which such court shall deem proper.

15.30 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 this Article, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorney’s fees) actually and reasonably incurred by such person in connection therewith.

15.40 The corporation may pay for or reimburse reasonable expenses incurred by a person who 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 investigatory if such party furnishes the corporation a written affirmation of their good faith belief that he or she acted in good faith and in a manner which he or she 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 that his or her conduct was unlawful, and the party furnishes the corporation a written undertaking, executed personally or on the party’s behalf, to repay the advance if it is ultimately determined that said party did not meet such standard of conduct.

15.50 A director of the corporation who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. On receipt of an application, the court, after giving any notice the court considers necessary, may order indemnification if it determines the party is entitled to mandatory indemnification in which case the court shall also order the corporation to pay the party’s reasonable expenses incurred to obtain court ordered indemnification, or if the party is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the conduct of the party was in good faith, in a manner which the party reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, the party had no reasonable cause to believe that his or her conduct was unlawful.

15.60 Notwithstanding anything contained above, the corporation shall not indemnify a director unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct set forth above. Such determination that indemnification of a director is permissible shall be made by the Board of Directors by a
majority vote of a quorum consisting of directors not at the time parties to the proceeding; provided, however, if a quorum of the Board of Directors cannot be obtained, the determination shall be made by special legal counsel selected by the Board of Directors.

15.70 The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of shareholders, or disinterested directors or otherwise, both as to action in his or her 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 such a person.

15.80 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, 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 any liability asserted against and incurred by such person in any such capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this Article.

This SECOND AMENDMENT to the Bylaws, duly, regularly and unanimously passed by the Board of Directors of Michelbook Fifth and Sixth Additions Homeowners’ Association on the 12 day of May, 2006.

By: Jim Thigpen – President

By: Hank Pfrehm – Secretary

Page 14/ BYLAWS
RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS
FOR MICHELBOOK'S FIFTH AND SIXTH ADDITIONS
A Residential Community with Common Facilities

DECLARATION

THIS THIRD RESTATED DECLARATION, made this 12th day of May 2006, by MICHELBOOK ESTATES, INC., an Oregon corporation, hereafter called the "Developer". The ORIGINAL DECLARATION was made 4th day of February 1999 and amendments to the ORIGINAL DECLARATION were made 3rd day of July 2001 and amendments to the ORIGINAL were made in a RESTATED DECLARATION made the 18th day of February 2003.

WITNESSETH:
Whereas MICHELBOOK ESTATES, Inc. is the owner of the real property described in this declaration and desires to create thereon a residential community with common facilities for the benefit of said community. This community shall be referred to as the "Michelbook Fifth and Sixth Addition Homeowners’ Association", which at the time of adoption of these Covenants and Restrictions Consists of Michelbook's Fifth and Sixth Additions to the City of McMinnville, Yamhill County, Oregon; and

Whereas, Michelbook Estates, Inc. has deemed it desirable for the efficient preservation of the values and amenities in said community to create an agency to which should be delegated and assigned the powers of maintaining, administering, and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created. This agency shall be referred to as the "Michelbook Fifth and Sixth Addition Homeowners’ Association",

ARTICLE I

DEFINITIONS The following words, when used in this declaration, or any subsequent or supplemental declaration (unless the context shall prohibit), shall have the following meanings:

Section 1. “Association” shall mean and refer to the Michelbook Fifth and Sixth Addition Homeowners’ Association, a non-profit corporation organized and existing under the laws of the State of Oregon.
Section 2. "Association of Members" shall mean all the owners and other persons entitled to vote, acting as a group, in accordance with the declaration and bylaws.

Section 3. "Building" shall mean a multiple unit building or a single unit building, or any combination thereof, comprising a part of the property.

Section 4. "Common Expenses" shall mean the expenses of administration, maintenance, repair or replacement of the private commons, expenses agreed upon as common by the owners, and expenses declared common by this declaration, or the bylaws of the Association.

Section 5. "Declaration" shall mean these Covenants and Restrictions and any written amendments and supplements thereto.

Section 6. "Lot" shall mean a part of the property, including a building of one or more rooms intended for any type of independent use, and with a direct exit to a public street or highway or to an area or areas leading to a public street or highway.

Section 7. "Member" shall mean that person or entity having a voting right in the Association pursuant to this declaration and the Articles of Incorporation and bylaws of the Association.

Section 8. "Owner" shall mean the record owner, or contract purchaser, whether one or more persons or entities, or a fee simple title to any lot, plot or living unit situated upon the properties, but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee or holder of a trust deed unless and until such mortgagee or holder of the trust deed has acquired full title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 9. "Private Commons" shall mean parks, commons, streets, footways, buildings, structures, walls, roofs, personal properties, and any and all other properties maintained by the Association for the common benefit and enjoyment of all of the members of the Association.

Section 10. "Properties" or "Property" shall mean the land, whether leasehold or in fee simple, all buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, which are under this declaration, Articles of Incorporation, and bylaws of the Association.
ARTICLE II
PROPERTIES SUBJECT TO THE DECLARATION

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to the declaration is located in Yamhill County, Oregon, and is more particularly described as set forth upon that document attached hereto and made a part hereof as though fully set forth herein, and marked Exhibit “A”, all of which said real property shall hereinafter be referred to as “existing property”.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity that is an owner shall be a member, and the Developer shall be a member.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all the lot owners. An owner’s proportionate share of the revenue and expense associated with the private cartons shall be equal to his proportionate voting share in the Association. Each Class A owner shall have one vote per lot owned except as to condominium developments where each condominium unit owner shall be a member as defined by Article I, Section 7, and an owner as defined by Article I, Section 8 hereof, and shall have one vote per condominium unit owned, whether the lot or condominium owner is a corporation, an association, a partnership, or a husband and wife. When more than one person holds such interest in any lot, all such persons shall exercise their vote as a unit; provided, however, if a voting dispute arises, the multi-person owner shall not be entitled to a vote unless the dispute be resolved as they among themselves shall decide.

Class B: The Class B member shall be the Developer. The Class B member shall be entitled to two times the votes for each lot or unit owned by a Class A member for the lots or condominium units within Association properties; provided, however, that the Class B membership shall cease and become converted to Class A membership upon the happening of any of the following events: (a) When fifty percent (50%) of the lots or
condominium units set forth upon this declaration to be filed have been sold; or (b) On the 31st day of December, 1999. From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each lot then unsold and in which the Developer holds the interest required for membership under this declaration.

ARTICLE IV
PROPERTY RIGHTS IN PRIVATE COMMONS

Section 1. Members' Easement of Enjoyment. Subject to the provisions of Section 3 of this Article IV, every member shall have a right and easement of enjoyment in and to the private commons and such easement shall be appurtenant to and shall pass with the title to every lot or living unit.

Section 2. Title to Private Commons. The title to the private commons shall be vested in the owners. Each owner in Michelbook's Fifth and Sixth Additions to the City of McMinnville, Yamhill County, Oregon, shall have an equal and undivided interest per lot owned in the private commons of Michelbook's Fifth and Sixth Additions.

Section 3. Extent of Members' Easement. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association, as provided in its Articles of Incorporation and Bylaws, to suspend the enjoyment rights of any member for as long as any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; nonpayment or infraction, however, is not grounds for denying a member the right to use the private commons access to his residence.

(b) The right of the Association or Developer to dedicate or transfer, subject to membership acceptance thereof, all or any part of the private commons to any public, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members; provided, that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by the members entitled to cast two-
thirds (2/3) of the votes of each class of membership has been recorded, agreeing to such dedications, transfer, purpose or conditions, and unless written notice of the proposed agreement and action thereof is sent to every member at least ninety (90) days in advance of any action taken.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the lien and personal obligation of assessments. Developer, for each lot owned by it within the properties, hereby covenants with, and each owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association (1) annual assessments or charges (which are to be paid on an annual basis), (2) special assessments for capital improvements, replacements or repairs, such assessments to be fixed, established and collected from time to time as provided in Section 10.10 of the Bylaws. The annual and special assessments, together with such interest thereon, and costs of collection thereof as hereafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof, as hereafter provided, shall also be the personal obligation of the person who is the owner of such property at the time when the assessment fell due. Such lien shall be enforceable in a manner consistent with the provisions of ORS Chapter 88 which governs foreclosures generally, or any other key statute or regulation governing foreclosure of Homeowner Association liens. The prevailing party shall be entitled to attorney’s fees as provided by Article XI, Section 5 herein.

ARTICLE VI
ARCHITECTURAL REVIEW COMMITTEE

Section 1. An Architectural Review Committee (ARC) shall be formed to insure the proper and harmonious development of the property consistent with the adjoining golf course and country club. Initially, the Developer shall be responsible to appoint members to the ARC, of which not less than one shall be a lot owner. However, at such time as the Class B membership shall cease, the HOA’s Board of Directors (BOD) shall be responsible to appoint members to the ARC. The ARC
shall at all times consist of at least 3 persons, at least one (1) from each Addition, or as the HOA’s BOD deems appropriate. The ARC shall perform the functions outlined below:

Section 2. Owners will not construct, alter or maintain any improvement on the premises until:

(a) They have submitted to the Architectural Review Committee a complete set of plans and specifications therefore in form satisfactory to the Committee, showing insofar as is appropriate: (1) the size and dimensions of the improvement; (2) the exterior design, (3) the exterior color scheme, (4) the exact location of the improvement on the home site, (5) the location of driveways and parking areas, (6) the landscaping arrangement, and (7) the size, dimension and location of any outbuildings; and

(b) Such plans and specifications have been approved in writing by the Committee. Approval of said plans and specifications may be withheld not only because of their noncompliance with any of the restrictions and conditions contained herein, but also because of the reasonable dissatisfaction of said Committee with items set forth in paragraph (a) above which, in the reasonable judgment of the Committee, would render the proposed improvement inharmonious or out of keeping with the objectives or the improvements erected on other home sites in the immediate vicinity of the premises.

(c) If at any time the owner shall have submitted to the Committee plans and specifications and the Committee shall have neither approved such plans and specifications within thirty (30) days from the date of their submission nor notified the owner of its objections within such period such plans and specifications shall be deemed to have been approved by the Architectural Review Committee. Similarly such restrictions shall apply to action upon any revised plans and specifications. Upon completion of the improvement and notice to the Committee, the Committee shall have the right for a period of ten (10) days from receipt of such notice to inspect said improvement for the purpose of determining whether it complies with the plans and specifications previously approved. Within then (10)
(d) days thereafter, said Committee shall either approve said improvement or notify the owner of changes necessary to comply with the plans and specifications. In the event the Committee does not act within said ten (10) day period, the days thereafter, said Committee shall either approve said improvement or notify the owner of changes necessary to comply with the plans and specifications. In the event the Committee does not act within said ten (10) day period, the improvement shall conclusively be deemed to be satisfactory to the Committee. All communications to the Committee shall be delivered by hand or mailed to the Architectural Review Committee Chairperson.

(e) The Architectural Review Committee has prepared an architectural checklist setting forth general concepts for the development of said tract which is available at the office of the Architectural Review Committee Chairperson. Such checklist may be modified from time to time.

ARTICLE VII
EASEMENTS

Section 1. The Developer reserves for the benefit of the tract those areas designated on said plat as easements and right-of-way for the purpose of construction of utilities, including but not limited to streets, sewers, water, power, gas and telephone, for the benefit of all lot owners in said tract.

Section 2. The Developer reserves for the benefit of the tract easements to permit the doing of every act necessary and proper to the playing of golf on the golf course adjacent to the lots which are subject to these restrictions. These acts shall include, but are not be limited to, the recovery of golf balls from such lots, the flight of golf balls over and upon such lots, the use of necessary and usual equipment upon such golf course, the usual and common noise level created by the playing of the game of golf, together with all the other common and usual activity associated with the game of golf and with all the normal and usual activities associated with the operation of a country club.

ARTICLE VIII
BUILDING RESTRICTIONS

Section 1. Maximum building height. The peak of the roof for units to be
built within this development shall not exceed thirty-five (35) feet at the peak of the roof as measured from the nearest curb. Provided, however, that Lots 1,2,3,4, and 5 of Michelbook's Fifth Addition shall be restricted to a single story of construction height as permitted by the City of McMinville.

Section 2. Square feet to be contained in any house constructed. Any house constructed shall have a minimum area of 2000 square feet of living area on the ground floor; provided, however, that any condominium unit constructed thereon shall have a minimum area of 1,400 square feet of living area on the ground floor. Houses and condominium constructing a second floor shall have a maximum of 1,200 square feet of living area on the second story level.

Section 3. Set-back requirements. The minimum side yard requirement for a single-family lot shall be ten (10) feet. Front yard set-back requirements shall be twenty (20) feet. Rear yard set-back requirements shall be twenty (20) feet for lots not adjacent to the golf course, and thirty (30) feet for lots adjacent to the golf course. No improvement of any kind shall be constructed within the set back areas.

Section 4. Restrictions on carports. No carports shall be allowed in the development. Parking shall be provided by means of entirely enclosed parking facilities or garages. There will also be a 2-car minimum requirement for any garage or enclosed parking facility constructed.

Section 5. Fences. Except as required for swimming pools, no fences shall be constructed across or parallel to the rear property line of any golf course frontage lot. Rear fences on interior lots must be approved by the Architectural Review Committee of the Association prior to construction. No fence shall be constructed across or parallel to the front property line of any lot inside the front setback. Fences shall be constructed of wood, masonry or wrought iron and shall not exceed six feet in height. All side yard fences shall be constructed outside of the front and rear setbacks except for interior lots where the side yard fence can intersect the rear fence. The location, material and design of any fences constructed shall be approved by the Architectural Review Committee prior to construction. All fences shall look the same when viewed from either side (“good neighbor fence”). Fence construction of any type is subject to the approval by contiguous neighboring lot(s). These signed neighboring approval(s) are to accompany fence construction request review to the Architectural Review Committee. (The only exception to subject contiguous neighboring approval will be if contiguous neighboring lot is vacant of a dwelling.)

Section 6. Landscaping plans and installation must be approved by the
Architectural Review Committee of the Association. At the discretion of the ACR, or at the request of contiguous neighbor(s), the contiguous neighbor(s) would have the right to testify before the ARC if they have objections or complaints as to proposed landscaping plan.

Section 7. Roofs shall be cedar shake, cedar shingle or tile, or approved by the Architectural Review Committee of the Association; however, under no circumstances will asphalt shingles be permitted or approved for usage.

Section 8. Vacant Lot Maintenance for a single-family dwelling. In the event that any single family lot owner does not commence construction of a residence on said lot, lot owner shall maintain said lot throughout the year with a regular mowing of the lot so that all growing vegetation does not exceed six (6") inches in height. Additionally, the lot must be as free of weeds as possible and lot must contain no other foreign debris. All lot owners must mow and otherwise maintain their lot(s) to the equivalent of above said status or lot owner will pay a minimum fee of $85, or actual cost if more than $85, to MICHELBOOK FIFTH AND SIXTH ADDITION HOMEOWNERS’ ASSOCIATION each time it is deemed necessary by the MICHELBOOK FIFTH AND SIXTH ADDITION HOMEOWNER ASSOCIATION’S ARC to contract for this maintenance service. If it becomes necessary for the ARC to stimulate the lot owner with a reminder, ONLY ONE REMINDER SHALL BE GIVEN, and if maintenance is not accomplished within fifteen (15) days of the postmark date of this written reminder the ARC will automatically, with no cancellation possibility, contract to have maintenance performed and lot owner will owe MICHELBOOK FIFTH AND SIXTH ADDITION HOMEOWNER ASSOCIATION $85, or actual cost if more than $85. Payment of said fee is due not later than thirty (30) days after issuance of billing to lot owner, which charge, if not paid within thirty (30) days, shall result in the filing of a lien against the property involved. The lien will also include a LATE FEE CHARGE for each month that the maintenance service charge is delinquent beyond the initial thirty (30) days. The initial LATE FEE CHARGE shall be $10.00 for the first month, and shall increase in increments of $5.00 for each additional month that the service charge remains unpaid.

Section 9. Existing Home Maintenance. All owners of existing homes shall maintain said house and lot throughout the year with regular outside maintenance. Property maintenance shall be timely and consistent with the established neighborhood standards for paint, gutter, roof and fences and be subject to the general oversight of the ARC. Property maintenance is also inclusive of all ARC approved landscaping. If it becomes necessary for the ARC to contact the owner with a reminder, ONLY ONE REMINDER SHALL BE GIVEN. If the requested lot maintenance is not accomplished within fifteen (15) days of the postmark date of this written reminder, or thirty (30) days on house maintenance, the ARC will automatically, and with no cancellation possibility, contract to have all necessary maintenance performed and lot/house owner will owe MICHELBOOK FIFTH AND SIXTH ADDITION HOMEOWNER ASSOCIATION the actual cost
for all services. Payment of said fee is due not later than thirty (30) days after issuance of billing to lot owner, which charge, if not paid within thirty (30) days, shall result in the filing of a lien against the property involved. The lien will also include a LATE FEE CHARGE for each month that the maintenance service charge is delinquent beyond the initial thirty (30) days. The initial LATE FEE CHARGE shall be $10.00 for the first month, and shall increase in increments of $5.00 for each additional month that the service charge remains unpaid.

Section 10. Construction time limit. Unless otherwise agreed to between the Architectural Review Committee and the owner in writing, all construction on any lot must be completed and occupancy permit issued within 365 days from the date of the issuance of a building permit or from the date that the Architectural Review Committee approves the plans and specifications, whichever is later. In the event that the owner does not comply with the aforementioned construction time limit, he agrees to pay MICHELBOOK FIFTH AND SIXTH ADDITION HOMEOWNERS' ASSOCIATION a $50.00 fine per day until all construction is completed and the required occupancy permits issued. Cumulative daily fine will be due the first day of each month, which if not paid within thirty (30) days, shall result in a lien against the property involved.

Section 11. Exterior building and outbuilding colors shall be natural, tans, beige, browns, or earth color, or approved by the Architectural Review Committee of the Association. In no circumstance shall pastel or vibrant exterior colors be approved by the Architectural Committee.

Section 12. Detached Improvements. Any detached improvement whatever must be approved by the Architectural Review Committee of the Association, and must be constructed of the same exterior roofing and siding materials used for the residence located on such lot.

Section 13. Construction Siding Materials. Residences shall be constructed of brick, stone, cedar, E.I.F.S., stucco, cematasious board, or other like materials approved by the Architectural Review Committee, provided, however, that under no circumstances will T-111, T-303 or exterior paneling of similar type be permitted or approved for usage.

Section 14. Contractors must maintain a clean work site. Each site must be equipped with a dumpster or other comparable waste container to meet this daily on-going requirement. Failure to comply with this rule may result in a written notice to “Clean Site within 5 days” or face a fine of $50 per day thereafter until completed.

ARTICLE IX
GENERAL RESTRICTIONS

PAGE 10/DECLARATION OF CONDITIONS AND RESTRICTIONS
Section 1. Animals. No animals of any kind shall be raised, kept or permitted upon the premises or any part thereof other than dogs, cats, fish, hamsters, and birds which are not kept, bred or raised thereon for commercial purposes or in unreasonable numbers, and which are reasonably controlled to avoid their being a nuisance to other Owners. Dogs are not to run free, i.e. must be restrained via effective verbal command, leashed, or some other equally effective manner. All animal fecal matter is to be picked up and properly disposed of immediately after deposit of such matter. Failure to comply will generate a ONE TIME ONLY written warning with subsequent observances receiving a $100 fine per infraction. Failure to pay said fine within thirty (30) of the postmarked “Fine Notice” will result in a property lien. No animal confinement pen or structure shall be constructed or maintained outside of the residence located on the lot.

Section 2. Manufactured or Mobile Homes, Temporary Structures. No manufactured or mobile home, permanent or temporary structure shall be allowed in the development, with the exception of a permitted construction type of modular office to be used only during the period of construction. Approval shall rest with the Architectural Review Committee for granting such a permit.

Section 3. Cars, Vans, SUV’s, Trucks, Motor Homes, Recreational Vehicles, Campers, Boats, or Travel Trailers. No camper, motor home, recreational vehicle, boat, or travel trailer shall be permitted to be left on the owner or tenant occupied drive, street side, front, side or rear yard for a period exceeding two (2) days. Campers, motor homes, recreational vehicles, boats, or travel trailers may be left on a lot or adjacent thereto for a reasonable period of time to permit cleaning, loading or unloading, not to exceed the applicable limitation provided by the City of McMinnville ordinance governing such subject. Storage of any motor home, camper, recreational vehicle, boats or travel trailers on a lot for more than five (5) days shall be entirely within a garage or other outside structure construction of which has been approved by the Architectural Review Committee of the Association. In the interest of maintaining neighborhood aesthetics and helping to eliminate vandalism it is requested that all owners park their cars, SUVs, vans, and trucks in their respective garage. If this is not possible then at no time are more than two (2) of said vehicles allowed on the owner’s respective driveway at one time. Parking of cars, vans, SUV’s, or trucks on the street shall not exceed any applicable limitations provided by City of McMinnville ordinances governing such subject.

Section 4. Trash or Refuse. No open air trash, refuse or garden material burning will be allowed at any time on any property included in this development. No garbage, trash or refuse will be allowed to accumulate on property contained in this development. Failure to manage trash, refuse and garden material in this manner will result in the Association having such removed and presenting the owner of the property all actual charges. This charge, if not paid within thirty (30) days, shall result in a lien being recorded against the property involved. In addition, all City and privately owned trash and recycle containers are to be stored OUT OF SIGHT from outside view except during normal collection periods.
Section 5. All lawn equipment is to be stored OUT OF SIGHT from outside view.

Section 6. Commercial Business. No commercial business of any type shall be allowed to be established on or operated from this development.

Section 7. Non-usable Motor Vehicles. There shall not be stored, parked or kept upon said lots or tracts in open and plain view any motor vehicle which is in a rusted, wrecked, junked or partially dismantled or inoperative or abandoned condition, whether attended or not, unless it is completely enclosed within a building. Any such motor vehicle shall constitute a condition tending to reduce the value of the property; to invite plundering; to create fire hazards; to constitute and attractive nuisance creating a hazard to the health and safety of minors, and to be a nuisance; and it shall be the duty of the owner of the property or of the lessee or other person in possession of the property upon which such vehicle is located, either to remove the same or have the same housed in an entirely enclosed building where it will not be visible from the street or other property within the development.

Section 8. One family (parent(s) and child (children)) per single unit dwelling. No more than one (1) family shall be allowed to dwell in a single unit family dwelling. A live-in mother, father, immediate family or a professional employee, for the explicit purpose of care giving, are the only allowable exceptions. This does not apply to overnight guests, temporary visitors, or in-house domestic employees.

Section 9. No offensive noise or activities. No resident or guest of a resident shall make any offensive noises or conduct any activity which offends or interferes with other residents’ use of their property or the private commons.

Section 10. Restrictions on lake activities. No resident or guest shall utilize the adjacent lake located on the Developer’s property for fishing, boating or other lake related purposes.

Section 11. Swimming pool construction. Swimming pools constructed on lots shall be entirely of the underground type. No above ground swimming pools may be installed or constructed on any lot.

Section 12. Satellite dishes and antennas. No satellite dish, antenna, weather vane or other attachment shall extend more than thirty-six (36) inches above the roof line of a residence at the point of attachment, and shall not exceed a total of thirty-five (35) feet of height at its highest projection. Satellite dishes may not exceed twenty (20) inches diameter in size.
Section 13. Basketball Hoops. No basketball hoop is to be attached to any part of the house. The only allowable basketball hoops are to be portable (no permanent placement), independently standing, separate from the house, and positioned on the house driveway. Any exception must (i.e. end of cul-de-sac) have a written approval from the ARC.

Section 14. Garage Sales. Any and all garage sales shall be held as a neighborhood event on the second weekend (Friday, Saturday, & Sunday) of June of each year AND AT NO OTHER TIME.

Section 15. Outside Christmas decorations are to removed NOT LATER THAN January 31 following said holiday. Other holiday events decorations have a maximum thirty (30) day post event removal window.

ARTICLE X
GENERAL PROVISIONS

Section 1. Duration. The covenants, easements and restrictions contained herein are to run with the land for the benefit of each owner of land in such subdivision, bind the respective successors in interest of the present owner thereof. These covenants, and restrictions shall remain in full force and effect for a period of thirty (30) years from the date of recording this declaration, and said covenants and restrictions shall terminate thereafter only upon the written agreement of not less than ninety percent of the record owners of the lots contained in said tract.

Section 2. Enforcement. The Association, or any owner, or the owner of any recorded mortgage contract vendor or recorded trust deed on any part of said property shall have the right to enforce by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, easements, liens, liens or charges now or hereafter imposed by the provisions of this declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Access of City Police, Fire and Ambulance. All streets, roads, and highways located upon the property shall be owned and open to use by the police, fire and ambulance departments of the City of McMinnville to provide any services required within their assigned responsibilities. The City shall also have further authority to enter upon said streets, roads, and ways to enforce all ordinances of the City and traffic laws of the State of Oregon and to issue citations for any violations thereof.

Section 4. Severability. Invalidation of any of these covenants and restrictions by judgment or court order shall in no way affect any of the other provisions herein which shall remain in full force and effect.

PAGE 13/DECLARATION OF CONDITIONS AND RESTRICTIONS
Section 5. Amendments. The covenants and restrictions of this Declaration may be amended by not less than ninety (90%) of the voting members. Any amendment shall be properly recorded. Easements herein granted and reserved shall not be amended except by instrument signed and acknowledged by one hundred percent (100%) of the owners of said property, the beneficial party under such easement if other than an owner, and the Developer.

Section 6. Attorney Fees. In case suit or action is instituted to enforce any of the provisions hereof, the losing party agrees to pay such sum as the trial court may adjudge reasonable as attorney’s fees to be allowed the prevailing party in said suit or action, and if an appeal is taken from any judgment or decree of such trial court, the losing party shall pay such sum as the appellate court shall adjudge reasonable as prevailing party’s attorney’s fees on such appeal.

IN WITNESS WEREFOE, Michelbook Fifth and Sixth Additions Homeowners’ Association has adopted the above Declaration changes on this 12th day of May, 2006, in accordance with the Declaration and the provisions of ORS 94.590(3), as amended.

MICHELBOOK FIFTH AND SIXTH ADDITION HOMEOWNERS’ ASSOCIATION,

By: ____________________________  By: ____________________________

Jim Thigpen - President                    Hank Pfrehm - Secretary

On this 12th day of May, 2006, personally appeared the above named Jim Thigpen, as President and Hank Pfrehm as Secretary of Michelbook Fifth and Sixth Additions Homeowners’ Association, respectively, and acknowledged the foregoing instrument to be their voluntary act and deed.

Notary Public,
My Commission expires 9-1-09

Notary Seal

PAGE 14/DECLARATION OF CONDITIONS AND RESTRICTIONS
DECLARATION

of

CONDOMINIUM OWNERSHIP

for

TURNBERRY CONDOMINIUM

MADE PURSUANT TO THE OREGON CONDOMINIUM ACT
# TABLE OF CONTENTS

1. DEFINITIONS AND INTERPRETATION.................................................................................. 1
   1.1 Definitions.............................................................................................................. 1
   1.2 Liberal Construction............................................................................................. 3
   1.3 Original Owner of Units....................................................................................... 3
   1.4 Captions and Exhibits.......................................................................................... 3
   1.5 Severability.......................................................................................................... 4
   1.6 Duration................................................................................................................. 4
   1.7 Notices.................................................................................................................. 4
   1.8 Costs and Attorneys Fees..................................................................................... 4
   1.9 Nonwaiver............................................................................................................ 4
   1.10 Miscellaneous..................................................................................................... 4

2. NAME ............................................................................................................................. 5

3. PROPERTY SUBMITTED AND DEVELOPMENT PLAN..................................................... 5
   3.1 Maximum Number of Units.................................................................................. 5
   3.2 Allocation of Undivided Interest in Common Elements......................................... 5
   3.3 Flexible Condominium Provisions....................................................................... 5

4. UNITS............................................................................................................................ 6

5. GENERAL COMMON ELEMENTS................................................................................ 6

6. LIMITED COMMON ELEMENTS.................................................................................. 6

7. OCCUPATION, USE AND TRANSFER.......................................................................... 7

8. MAINTENANCE ............................................................................................................. 7

9. EASEMENTS ................................................................................................................. 7
   9.1 In General.............................................................................................................. 7
   9.2 Rights Created by Association.............................................................................. 7
   9.3 Right of Entry....................................................................................................... 8
   9.4 Special Easement and Rights for Declarant......................................................... 8

10. COMMON INCOME AND EXPENSES; VOTING......................................................... 8
    10.1 Allocation of Income and Expenses................................................................... 8
    10.2 Votes.................................................................................................................. 9

11. SERVICE OF PROCESS ............................................................................................... 9

12. ENCROACHMENTS .................................................................................................... 9
    12.1 Easement for Encroachments.......................................................................... 9
    12.2 Limitation......................................................................................................... 9
    12.3 Effect of Marketable......................................................................................... 9

13. MORTGAGEE PROTECTION ....................................................................................... 9
    13.1 Controlling Over OTHER Sections.................................................................. 9
    13.2 Notice of Action............................................................................................... 9
    13.3 Mortgagee Approval.........................................................................................10

i - TABLE OF CONTENTS
14. OPERATING ENTITY
14.1 FORMATION AND AUTHORITY.......................... 11
14.2 DUTIES AND POWERS OF THE ASSOCIATION............. 11
14.3 RULES AND REGULATIONS.................................. 12
14.4 CONTROL OF ASSOCIATION................................ 12
14.5 MEMBERSHIP.................................................. 12
14.6 VOTING......................................................... 13
14.7 ENFORCEMENT POWERS.................................... 13
14.8 ENFORCEMENT ACTIONS.................................... 13
14.9 MEDIATION AND ARBITRATION............................ 13
14.10 SUSPENSION OF SANCTIONS.............................. 14

15. MANAGING AGENT............................................. 14
15.1 PROFESSIONAL MANAGEMENT............................... 14
15.2 INITIAL MANAGING AGENT.................................. 14
15.3 SCOPE OF MANAGING AGENT DUTIES...................... 15

16. SUBDIVISION ASSOCIATION.................................. 16
16.1 MEMBERSHIP.................................................. 16
16.2 POWERS AND RESPONSIBILITIES............................ 16

17. AMENDMENT................................................... 16
17.1 APPROVAL REQUIRED........................................ 16
17.2 RECORDATION.................................................. 16
DECLARATION

of

CONDOMINIUM OWNERSHIP

for

TURNBERRY CONDOMINIUM

MADE PURSUANT TO THE OREGON CONDOMINIUM ACT

THIS DECLARATION, to be effective upon its recording in Yamhill County, Oregon, pursuant to the provisions of the Oregon Condominium Act, is made and executed this ___ day of ______________, 2003, by Michelbook-5, LLC, an Oregon limited liability company (hereinafter “Declarant”).

RECIPIALS:

Declarant owns the Property (defined below) located in the Fifth Addition to the MICHELBOOK subdivision, in the City of McMinnville, Yamhill County, Oregon. The developer of the fifth and sixth additions of the MICHELBOOK subdivision has subjected the Property to the Subdivision Declaration, and created the Subdivision Association to operate the Fifth and Sixth Additions of the MICHELBOOK subdivision. Declarant intends to improve the Property, by constructing Buildings consisting of single family town-houses attached by party walls, each of which town-houses will constitute a Unit. Declarant proposes to create a fee title Condominium to be known as TURNBERRY CONDOMINIUM on a portion of the Property as the means to permit separate ownership of the town-house Units. If the entire Property is developed as intended, it will consist of 22 Units. The purpose of this Declaration is to submit the land and improvements of TURNBERRY CONDOMINIUM to the Condominium form of ownership and use in the manner provided by the Oregon Condominium Act. TURNBERRY CONDOMINIUM is subject to the Subdivision Declaration and all supplemental declarations and amendments thereto.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions.

The following definitions apply in all Condominium Documents unless the context requires otherwise:

1.1.1 “Act” means the Oregon Condominium Act, currently contained in ORS Chapter 100, as amended from time to time.

1.1.2 “Association” means the nonprofit mutual benefit corporation responsible for the operation of the Condominium created concurrently with the recording of this Declaration and known as TURNBERRY CONDOMINIUM Association.
1.1.3 "Board" means the Board of Directors of the Association.

1.1.4 "Bylaws" means the Bylaws of the Association, as amended from time to time.

1.1.5 "Common Elements" means all those portions of the Condominium exclusive of the Units.

1.1.6 "Condemnation" means any taking of any interest in the Condominium by right of eminent domain or any purchase of any such interest in lieu of such taking.

1.1.7 "Condominium" means the portion of the Property that is subjected to Condominium ownership by this Declaration and all improvements on that portion of the Property and all easements and rights appurtenant to the portion of the Property constituting a part of the Condominium.

1.1.8 "Condominium Documents" means this Declaration, the Articles of Incorporation of the TURNBERRY CONDOMINIUM Association, its Bylaws, its Rules and Regulations, and any Exhibits to any of them.

1.1.9 "Declarant" means the original Declarant specified above and any successors and assigns specified as a successor Declarant in a written agreement between such parties.

1.1.10 "Declaration" means this Condominium Declaration and any amendments to it and any supplemental declarations annexing additional stages to the Condominium.

1.1.11 "General Common Elements" means all Common Elements other than the Limited Common elements.

1.1.12 "Legal Requirements" means all applicable statues, rules, regulations, codes and other such requirements.

1.1.13 "Limited Common Elements" means the decks, porches and patios attached or adjacent to each of the Units as shown on the Plat.

1.1.14 "Mortgage" includes a mortgage, trust deed and recorded contract for the sale of real estate.

1.1.15 "Mortgagee" includes a mortgagee, trust deed beneficiary, a vendor under contract for the sale of real estate, and any insurer or guarantor of any mortgage or trust deed.

1.1.16 "Owner" means the record owner of fee simple interest in a Unit, unless there is a holder of a vendee's interest in a Unit under a recorded contract of sale or a holder of a life estate or a leasehold estate in a Unit for a term exceeding twenty (20) years, in which event the vendee or lessee, as the case may be, shall be considered the Owner. If there is more than one
such vendee's or lessee's interest at any given time, then the holder of the most recent interest shall be considered the current Owner.

1.1.17 “Person” means any individual, corporation, partnership, trust or other entity.

1.1.18 “Plat” means the Plat for the Condominium which is being recorded in the records of Yamhill County, Oregon, concurrently with this Declaration and any revisions of such Plat subsequently recorded.

1.1.19 “Property” means the land described as Lot 22, MICHELBOOK FIFTH ADDITION to the City of McMinnville, County of Yamhill and State of Oregon.

1.1.20 “Subdivision Association” means the Michelbook’s Fifth and Sixth Additions Homeowners Association, Inc., an Oregon non-profit corporation.

1.1.21 “Subdivision Declaration” means the Declaration of Conditions and Restrictions, for Michelbook’s Fifth and Sixth Additions (the “Subdivision Declaration”) dated February 4, 1999, and recorded February 5, 1999, in the official records of Yamhill County, Oregon, at Fee Number 199982355.

1.1.22 “Unit” means that part of the Condominium designated in Section 4 herein and as shown on the Plat as such and comprises the space and improvements enclosed by its boundaries as described in Section 4 and shown on the Plat and, as the context requires, the accompanying fractional interest in the Common Elements.

1.2 Liberal Construction.

The provisions of this Declaration must be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of this Condominium Association under the provisions of Oregon law. The terms used herein are intended to have the same meaning given in the Act unless the context clearly requires otherwise or to so define the terms would produce an illegal or improper result.

1.3 Original Owner of Units.

Declarant is the original Owner of all Units and will continue to be deemed the Owner thereof except as conveyances or documents verifying the ownership of specifically described Units are filed of record.

1.4 Captions and Exhibits.

The captions and headings of sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof. The various exhibits referred to herein and attached hereto shall be deemed incorporated herein by reference as though fully set forth where such reference is made.
1.5 **Severability.**

Each provision of this Declaration and the Bylaws must be deemed independent and severable, and the validity or partial invalidity of any provision will not affect the validity or enforceability of the remaining part of that or any other provision of this Declaration or the Bylaws.

1.6 **Duration.**

These covenants, conditions and restrictions run with and bind, benefit and burden in perpetuity the Property, all Owners and Occupants, and the lessees, invitees and guests of all Owners and Occupants unless amended in accordance with this Declaration or terminated by the affirmative vote of 100% of those entitled to vote.

1.7 **Notices.**

All notices under this Declaration must be in writing. Any such notice will 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. It is the responsibility of the Owners to notify the Association of any change in address or change in ownership of the Units. The Association is not be responsible for independently verifying the accuracy of its record of Owners and their addresses.

1.8 **Costs and Attorneys Fees.**

In any proceeding arising because of an alleged default by an Owner in complying with the terms and provisions of this Declaration or the rules and regulations of the Association, including without limitation failure to pay assessments, the prevailing party will be entitled to recover its costs, including such reasonable attorneys fees as may be determined by the trial court in any trial or by the appellate court in any appeal or review thereof. In addition, the Association shall be entitled to reasonable attorneys’ fees associated with collection costs, regardless of whether a legal action is filed.

1.9 **Nonwaiver.**

Any failure of the Association to enforce a covenant, condition or restriction contained in this Declaration is not a waiver of the Association’s right to enforce that or any other covenant, condition or restriction contained in this Declaration.

1.10 **Miscellaneous.**

All terms and words used in this Declaration, regardless of the number or gender in which they are used, will be deemed to include any other number and any other gender that the context may require. “And/or” when applied to two or more matters or things will be construed to apply to any one or more or all thereof as the circumstances warrant at the time in question. “Herein,” “hereof” and “hereunder,” and words of similar import, must be construed to refer to this
Declaration as a whole, and not to any particular Section, unless expressly so stated. The word
“days” refers to calendar days unless specific reference is made to “business” days.

2. **NAME**

The name by which the portion of the Property hereby submitted is to be identified is
TURNBERRY CONDOMINIUM.

3. **PROPERTY SUBMITTED AND DEVELOPMENT PLAN**

The portion of the property hereby submitted to the Act is Declarant’s fee simple interest
the Property and the improvement thereon. Pursuant to ORS 100.125, Declarant proposes to
develop the Condominium with the maximum number of Units, the additional Common
Elements, minimum allocation of undivided interest in the Common Elements and election dates
as follows:

3.1 **Maximum Number of Units.**

Declarant is reserving the right to include a maximum of 22 residential Units in the
Condominium.

3.2 **Allocation of Undivided Interest in Common Elements.**

Unit Owners will be entitled to an equal undivided interest in the Common Elements such
that if the maximum number of Units are created then each Owner will have approximately a
1/22\textsuperscript{th} undivided interest in the Common Elements. Each Unit’s interest in the common elements
shall be inseparable from the Unit and any conveyance, encumbrance, judicial sale, or other
transfer, voluntary or involuntary of an undivided interest in the Common Elements, shall be
void unless the Unit to which that interest is allocated is also transferred. Declarant reserves the
right to construct Units of different floor plans of either larger or smaller floor areas than the Unit
created by this Declaration, but all Units shall be consistent with the quality of construction of
the initial Unit.

3.3 **Flexible Condominium Provisions.**

There is one variable tract in the Condominium as shown on the Plat. The Declarant
reserves the right to reclassify the variable tract into a maximum of 10 Units with associated
Limited and General Common Elements. The allocation of undivided interest in the Common
Elements, liability for common expenses, right to common profits and allocation of voting rights
for any such Units created by reclassification of a variable tract shall be the same as for all other
Units in the Condominium. The variable tract is nonwithdrawable, and such right of conversion
and division shall expire seven years from the date of the conveyance of the first unit in the
condominium to a person other than the Declarant. There are no limitations upon the right of the
Declarant to convert the variable tract. Declarant shall record a supplemental declaration and
supplemental plat as the means of such conversion containing the information required by the
Act. The plat shows the location and dimensions of the variable tract which shall be labeled
“NONWITHDRAWABLE VARIABLE PROPERTY.” If by the termination date, all or a
portion of the variable property designated as "nonwithdrawable variable property" has not been reclassified, such property shall automatically be reclassified as of such date as a general common element of the Condominium and any interest in such variable tract held for security purposes shall be automatically extinguished by such classification. Notwithstanding the termination date, the association may, with respect to any variable tract automatically reclassified, exercise any rights previously held by the Declarant. The exercise of any right shall first be approved by at least a majority of all voting rights. All other actions relating to such variable tract reclassified as general common elements shall be regulated and governed in like manner as other general common elements of the condominium. If a supplemental declaration and plat is required for any action, the plat shall be executed by the chairperson and secretary of the association and shall comply with the requirements of this chapter as to a supplemental declaration and the recording of plats.

4. **UNITS**

The initial Condominium consists of twelve Units. Each Unit is or will be a one or two-story town-house containing 1,409 square feet of floor area for the one-story units and 1,992 square feet of floor area for the two-story units. There are no basements. Buildings are of stick construction with cement fiber type siding. The roof is concrete tile. The foundation is concrete. Each Unit shall be bounded by the exterior surfaces of the town-house constituting the Unit and the center point of the any party wall attaching Units, all as shown on the Plat. In the event of any conflict between the Plat and this Declaration, the latter shall be controlling. The Units created by this Declaration are hereby designated as Units 11 through 22 and are located at 1300 through 1365 NW Oakmont Ct., McMinnville, Oregon, 97128. The Declarant reserves the right to change its standard plans for Units from time to time subject to the foregoing general limitations. The designation (Unit number), location, and area in square feet of each Unit are shown on Exhibit B and on the Plat.

5. **GENERAL COMMON ELEMENTS**

The General Common Elements will consist of all improvements and land other than the Units and limited Common Elements including the open space landscaped areas and a private driveway for the use of the Owners in accordance with the provisions of this Declaration. Each Owner shall be entitled to an undivided interest in the Common Elements as shown on Exhibit B based upon the number of Units owned regardless of variations in the size or design of the Units, so that the total of the percentages of all Units equals 100%.

6. **LIMITED COMMON ELEMENTS**

Each deck, porch and patio shall constitute a non-transferable Limited Common Element as shown on the Plat, the use of which shall be reserved to the Owner of the adjacent Unit, whose exterior door opens onto the respective deck, porch or patio. Such right of use shall be to the exclusion of the Owners of all other Units.
7. OCCUPATION, USE AND TRANSFER

Each Unit is intended solely for residential use as either a primary or secondary residence. Units may be used for accessory home businesses subject to Association approval of the business as compatible with the residential character of the Condominium, such approval to not be unreasonably withheld, conditioned or delayed. There shall be no restrictions on the transfer or ownership of Units other than those described in the Subdivision Declaration.

8. MAINTENANCE

The necessary work to maintain, repair or replace the Common Elements and the roofs and party walls of the Buildings shall be carried out by the Association through its contractors as provided in the Bylaws. No Owner may alter the Common Elements, the roofs or the party walls without first obtaining the consent of the Association. Roof and party walls work will be specially assessed to the benefited units. In other words if the roof of one of the three buildings is entirely replaced then the entire cost will be specially assessed only to the owners of the affected building. If a roof repair affects less than all of the Units in a building then it will be assessed only to those affected Units and prorated on the extent of each Unit roof affected by the repair as reasonably determined by the Association Board. Any changes to the exterior stain or paint color of a Unit may be made only upon the approval of the Association Architectural Committee.

9. EASEMENTS

9.1 In General.

Each Owner has an easement for reasonable access and use of, in and through the Common Elements, for all utility lines, wiring, heat, plumbing, and other service elements, and for reasonable access required to effectuate and continue proper operation of the Condominium. Each Unit and all the Common Elements are specifically subject to the foregoing easement for access and use as required for the utility lines serving each Unit. The specific mention or reservation of any easement for access and use in this Declaration does not limit or negate the general easement for Common Elements created by the Act. Each Unit Owner has an easement over the Common Elements for reasonable ingress to and egress from the Owner’s Unit. Such easement will be perpetual and appurtenant to the Unit.

9.2 Rights Created by Association.

The Association of Unit Owners has the authority, pursuant to ORS 100.405(5) of the Act, to create, on behalf of the Unit Owners, leases, easements, rights of way, licenses and other similar interests affecting the Common Elements and consent to vacation of roadways within and adjacent to the condominium as provided in ORS 100.405(5); provided, however, no such interest may be granted with regard to a Limited Common Element unless the Owner and any Mortgagees of the Units having the right to use such Limited Common Elements consent to the creation of such an interest. The granting of a lease in excess of two years duration, or any other interest or consent pursuant to this section, shall be done only after the prior approval of the
Owners of at least seventy five percent (75%) of the Units. Nothing in this Section may be deemed to empower the Association to revoke, alter, modify or terminate any leases, easements, rights of way, license and similar interest of record on the date this Declaration is recorded.

9.3 Right of Entry.

The Board, acting on behalf of the Association, or any other Person authorized by the Board, may enter any Owner’s Unit in the case of any emergency originating in or threatening such Unit or any other Unit or the Condominium, or requiring repairs in such Unit to protect public safety, whether or not the Owner is present at the time. Each Owner must also permit such persons to enter the Owner’s Unit for the purpose of performing installations, alterations, or repairs to any Common Element, preventing damage to the Common Elements or the other Units, or inspecting the Unit to verify that the Owner is complying with the restrictions and requirements described in this Declaration, the Bylaws, and/or the Rules and Regulations, provided that (i) reasonable notice is given to the Owner, and (ii) except in the case of an emergency, entry is made at a time or times reasonably convenient to the Owner and in a manner that minimizes interference with such Owner’s use or enjoyment of their Unit.

9.4 Special Easement and Rights for Declarant.

During the period of sale and construction of the Units, Declarant and its agents, successors and assigns have an easement for access and use of, over and upon the Common Elements for the purpose of completing or making repairs to the Condominium and carrying out marketing activities reasonably necessary for the sale of Units, including, without limitation, the right to post signs on the Common Elements, use the Units owned by the Declarant as model Units and the right to use such model Unit(s) for real estate marketing with respect to the Units or other property. If the Declarant causes damage to the Common Elements in the exercise of the easement granted in this Section 9.4, then Declarant must restore the Common Elements, ordinary wear and tear excepted. The Declarant and its agents, contractors or employees may maintain daily hours of exterior Unit construction work from 7:30 A.M. until 5 P.M., Monday through Saturday. The Declarant and its agents, contractors or employees may do interior Unit construction work from 7:30 A.M. until 9:00 P.M., on any day. The Association has no approval right or other power by amendment, rules or otherwise to control, limit, regulate or affect Declarant’s design, construction or marketing of Units, which is in Declarant’s sole discretion. Declarant in its sole discretion may remove trees and other vegetation for the construction of the Units and any improvements to the Common Elements and burn or chip such vegetation within the Property.

10. COMMON INCOME AND EXPENSES; VOTING

10.1 Allocation of Income and Expenses.

The common income, if any, derived from and the common expenses of the Common Elements and any other common expenses must be allocated between all Condominium Units and charged to the Owner of each Unit according to each Owner’s percentage interest in the Common Elements as provided in Section 3.
10.2 Votes.

Each Owner is entitled to one (1) vote for each Unit owned. In the event of co-owners there will be only one vote for the Unit.

11. SERVICE OF PROCESS

The name of the person designated to receive service of process in cases provided in ORS 100.550(1) is named in the Condominium Information Report which has been filed with the Real Estate Agency in accordance with ORS 100.250(1)(a).

12. ENCOCHAMENTS

12.1 Easement for Encroachments.

Each Owner has a right of use over all adjoining Units and Common Elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the Building, or any other similar cause, and any encroachment due to building overhang or projection. There is a valid easement for the maintenance of the encroaching Units and Common Elements so long as the encroachment exists, and the rights and obligations of Owners are not be altered in any way by the encroachment.

12.2 Limitation.

The easement described under Section 12.1 does not relieve an Owner of liability in case of willful misconduct of an Owner or relieve the Declarant or any contractor, subcontractor or vendor of liability for failure to adhere to the plans.

12.3 Effect of Marketability.

The encroachments described in Section 12.1 of this Section 12 may not be construed to be encumbrances affecting the marketability of title to any Unit.

13. MORTGAGEE PROTECTION

13.1 Controlling Over Other Sections.

In the event of a conflict between this Section and other sections of this Declaration, the provisions of this Section control.

13.2 Notice of Action.

Upon written request to the Association identifying the name and address of any Mortgagee with respect to a Unit and the address of such Unit, the Mortgagee will be entitled to receive written notice of: (a) all meetings of the Association and will be permitted to designate a representative to attend all such meetings; (b) any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a Mortgage; (c) any
delinquency in the payment of assessments or charges owed by an Owner of a Unit on which there is a mortgage which remains uncured for a period of sixty (60) days; (d) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association at least ten (10) days before such occurs; and (e) any proposed action which would require the consent of the specified percentage of Mortgagees under the Declaration or Bylaws.

13.3 Mortgagee Approval.

For purposes of determining the percentage of Mortgagees approving a proposed decision or course of action in cases where a Mortgagee holds first Mortgages on more than one Unit, such Mortgagee will be deemed a separate Mortgagee as to each such Unit.

13.4 Mortgagee’s Consent to Abandon Condominium.

Except with respect to termination of the Condominium as a result of destruction, damage, or condemnation, any termination of the Condominium requires the approval of Mortgagees holding Mortgages on Units having at least sixty-seven percent (67%) of the votes of Units in the Condominium which are subject to Mortgages. Any such termination of the Condominium must be carried out by the Owners pursuant to the provisions of the Declaration, Bylaws, and the Act and only after a vote of the Owners as required herein.

13.5 Amendment of Condominium Declaration or Bylaws.

Subject to any contrary provisions of the Act, except upon the approval of Mortgagees holding Mortgages on Units which have at least fifty-one percent (51%) of the votes of Units in the Condominium which are subject to Mortgages, no amendments may be made to the Declaration or Bylaws which add to or amend any material provision of the Declaration or Bylaws which establish, provide for, govern, or regulate any of the following: (a) voting; (b) assessment, assessment liens, or subordination of liens; (c) percentage ownership in Common Elements, including, but not limited to, the reallocation of interests in the Common Elements after a partial condemnation or partial destruction of the Property; (d) reserves for maintenance, repair, and replacement of the Common Elements; (e) insurance or fidelity bonds; (f) easements of access and use of the Common Elements; (g) responsibility for maintenance and repair of the several portions of the Condominium; (h) expansion or contraction of the Condominium, or the addition, annexation, or withdrawal of real property to or from the Condominium; (i) boundaries of any Unit or the exclusive easement rights appurtenant thereto; (j) conversion of Units into Common Elements or of Elements into Units; (k) leasing of Units; (l) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey such Owners’ Unit; (m) any provisions which are for the express benefit of Mortgagees; (n) the purposes to which any Unit or the Common Elements are restricted; and (o) establishment of self-management by the Association.

13.6 Limitation.

The provisions of Section 13.4 are intended only to be a limitation on the right of the Owners to amend the Declaration and Bylaws. Any such amendments to the Declaration or
Bylaws may be made only upon full compliance with the provisions of such relating to the procedure and percentage of votes required for such amendment in addition to Section 13.5.

13.7 Deemed Approval by Mortgagees.

Any Mortgagee who receives a written request to approve an amendment to the Declaration or Bylaws or any other action to be taken by the Board, Association, or Owners will be deemed to have given such approval unless such Mortgagee’s written objection to such action is delivered to the Association within thirty (30) days after the date of the written request.

13.8 Mortgagee’s Proxy.

If the Mortgagee of any Unit determines that the Association is not providing an adequate maintenance, repair and replacement program for the Common Elements, then such Mortgagee, at its option, may deliver a notice to the registered agent of the Association, as required pursuant to ORS 100.550, setting forth the particular defect which it believes exists in the maintenance, repair and replacement program. If the specified defects are not corrected within ninety (90) days subsequent to receipt of such notice, then the Mortgagee, upon written notice to the registered agent that it is exercising its proxy rights hereunder, has the right to attend succeeding annual or special meetings of the Association and to cast the vote(s) for each Unit on which it holds a mortgage on all business coming before such meeting, which proxy rights will continue until the defects listed on the notice are corrected.

14. OPERATING ENTITY

14.1 Formation and Authority.

The TURNBERRY CONDOMINIUM Association has been organized as a nonprofit mutual benefit corporation to administer the operation and management of the Condominium and to undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation, this Declaration and Bylaws. A copy of the Bylaws are attached hereto as Exhibit A. Each Owner is entitled to vote in the manner prescribed in the Articles of Incorporation and Bylaws of the Association.

14.2 Duties and Powers of the Association.

The Association has 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, from funds provided by assessments of the Units, 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 has the power, duty and authority, subject to other provisions of this Declaration and the Bylaws, to undertake the following actions: (a) determine the amounts necessary or appropriate for the performance by the Association of its powers and duties under this Declaration; (b) impose and collect annual and special assessments from the Owners; (c) maintain bank accounts on behalf of the Association and designate the signatories for those accounts; (d) file all required income tax returns; (e)
enforce by legal means the provisions of this Declaration; (f) maintain and repair the Common Elements and the improvements thereon and establish a reserve fund for such purposes; (g) promulgate, modify, and rescind rules and regulations governing use of the Common Elements and all improvements on the foregoing, as well as the Condominium generally; (h) obtain such policies of insurance as the Board may from time to time deem appropriate for the protection of the Association, the Common Elements and the improvements thereon; (i) contract for such services (including without limitation legal and accounting services) as may be necessary or appropriate to manage the affairs of the Association properly and in accordance with this 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; (j) 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. Except to the extent expressly stated otherwise in this Declaration or the Bylaws, the Association has the powers set forth in the Act at ORS 100.405(4).

14.3 Rules and Regulations.

The Association may, by a majority vote of the Board, from time to time, adopt, amend, enforce and repeal rules and regulations as the Board determines to be necessary or proper for the operation of the Association (the “Association Rules”). The Association Rules will govern use of the Units and Common Elements by any Owner, Occupant, family member or invitee of an Owner or Occupant. Provided, however, that the Association Rules may not discriminate among Owners and may not be inconsistent with this Declaration, the Association Articles or Bylaws and with the Subdivision rules and regulations under the Subdivision Declaration. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, the Association Rules shall have the same force and effect as if set forth in and a part of this Declaration. The Association rules shall not materially change the rights, preferences or privileges of any person, or the restrictions on any Unit as herein set forth.

14.4 Control of Association.

The Condominium will be governed by the TURNBERRY CONDOMINIUM Association, an Oregon nonprofit corporation. As provided in ORS 100.200(1) and (2), the Declarant may retain administrative control of the Association for a period not exceeding the earlier of: (a) seven (7) years from the date of conveyance of the first Unit; (b) the date of conveyance to persons other than Declarant of 75% of the Units in the Condominium which may be created under ORS 100.150; or (c) the date on which Declarant elects to relinquish permanently its control, whichever date first occurs. Administrative control of the Association by the Declarant is more particularly set forth in the Bylaws.

14.5 Membership.

Each Owner, by virtue of being an Owner and as long as such Owner continues in that capacity, shall be a member of the Association. The membership of an Owner terminates
automatically upon an Owner being divested of its ownership interest in a Unit and Common Elements. Each membership in the Association is appurtenant to the Unit owned by an Owner and may not be transferred in any manner whatsoever except upon a transfer of title to such Unit and then only to the transferee of such title. Any attempt to make a prohibited transfer of a membership is void.

14.6 Voting.

Each Owner is entitled to one (1) vote per Unit owned in the manner prescribed in the Articles of Incorporation and Bylaws of the Association. In the event of co-owners, there remains only one vote per Unit. Except as otherwise provided in Section 13.7, no person, firm or corporation holding any lien, mortgage or other encumbrance upon any Unit is entitled, by virtue of such lien, mortgage or other encumbrance, to membership in the Association, or to any of the rights or privileges of such membership.

14.7 Enforcement Powers.

In addition to any other enforcement rights described in this Declaration and the Bylaws or authorized by law, and subject to any restrictions on the Association’s enforcement rights, including any due process requirements imposed by this Declaration, the Bylaws or by law, the Association may take any of the following actions against any person or entity whose act or failure to act violates any lien, mortgage or other encumbrance, or against any person or entity whose act or failure to act threatens to violate any provision of this Declaration, the Bylaws, or Association Rules: (a) impose monetary fines of no more than $100 for the first violation, $500 for the second violation and $1,000 for the third violation of the same type; (b) suspend or revoke the qualification of any Occupant for use of the Unit and/or Common Elements; and (c) commence a legal action for damages, injunctive relief, or both. Any remedies specifically provided herein are nonexclusive and cumulative and are in addition to all other legal or equitable remedies available to the Association.

14.8 Enforcement Actions.

The determination of whether to impose any of the foregoing sanctions is within the sole discretion of the Association. The Association may take more than one of the foregoing enforcement actions against any violation or threatened violation. The Association, in its sole discretion, may resolve or settle any dispute, including any legal action, under such terms and conditions as it considers appropriate.

14.9 Mediation and Arbitration.

Except with respect to any action by the Association to foreclose an existing lien or execute on an existing judgment, every Owner and the Association has the right to submit any dispute regarding enforcement of this Declaration, the Bylaws or the Rules and Regulations of the Condominium to nonbinding mediation, and if the mediation is unsuccessful, to binding and final arbitration according to the rules of the Arbitration Service of Portland, Inc.

If any action is brought by one or more but less than all Owners on behalf of the Association and recovery is had, the expenses of these Owners shall be a Common Expense.
However, if such action is brought against the Owners or against the Board, Officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all the Owners, the plaintiff’s expenses, including attorneys’ fees, shall not be charged to or borne by the other Owners, as a Common Expense or otherwise.

Complaints brought against the Association, the Board or the Officers, employees, or agents thereof, in their respective capacities as such or the Condominium as a whole, must be directed to the Board, which must promptly give written notice thereof to the Owners and any Mortgagees. Such complaints must be defended by the Board, and the Owners and Mortgagees have no right to participate in such defense other than through the Board. Complaints against one or more, but less than all Owners, must be directed to such Owners, who must promptly give written notice thereof to the Board and to the Mortgagees affecting such Units, and must be defended by such Owners.

14.10 Suspension of Sanctions.

Except in the event of an emergency threatening the health or safety of the other Occupants of the Condominium, the sanctions described above in Section 14.7 may not be imposed until the subject of the sanction has first been given ten (10) days prior notice and opportunity to cure the violation complained of and to be heard orally or in writing by the Board. The notice may be given in any manner reasonably intended to provide actual notice to the subject of the sanctions. The imposition of the sanctions described above in Section 14.7 may be suspended during the pendency of any mediation and arbitration.

15. MANAGING AGENT

15.1 Professional Management.

The Association must be professionally managed by Sterling Property Services, Inc., unless and until the Association member elect to management by another licensed property manager. If the Association assumes self-management at any time by the agreement of the Owners, thereafter the Association must resume professional management and appoint a managing agent upon the request of any two Owners. If the Board fails to appoint a managing agent within 30 days of such a request then the managing agent must be a licensed property management firm appointed by and under the supervision of the presiding judge of the Yamhill County Circuit Court until the Board appoints another qualified managing agent. At least thirty (30) days’ notice of any contemplated change in the managing agent must be given to any Mortgagee which has requested notice.

15.2 Initial Managing Agent.

Subject to the rights of the Association or the Board to terminate the managing agent without penalty upon not less than thirty (30) days written notice to the other party given not later than sixty (60) days after the turnover meeting specified in the Bylaws of the Association, Sterling Management will act as the initial agent to manage the Condominium for a term not to exceed seven (7) years.
15.3 **Scope of Managing Agent Duties.**

The Board may delegate to the managing agent responsibility for the following items in addition to any others the Board chooses to delegate:

15.3.1 Operation, care, upkeep and maintenance of the portions of the Condominium that are the responsibility of the Association such as the General Common Elements, roofs and party walls;

15.3.2 Recommendation to the Board of the amounts required for operation, maintenance and other affairs of the Association, and the preparation of annual budgets for approval by the Board;

15.3.3 Collection of common expenses from the Owners;

15.3.4 Purchases for the maintenance, repair, replacement, administration, management and operation of the Condominium which are consistent with Board-approved budgets or specially approved by the Board;

15.3.5 Subject to Board approval, maintain bank accounts on behalf of the Association;

15.3.6 The acquisition of any and all goods and services necessary for the operation of the Condominium or for enforcement of the Declaration and these Bylaws consistent with Board-approved budgets or specially approved by the Board;

15.3.7 Subject to Board approval, maintenance and repair of any Unit, its appurtenances and/or its improvements when such maintenance or repair is reasonably necessary in the opinion of the managing agent to protect the Common Elements or preserve the appearance and value of the Condominium development and the Owner or Owners of said Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered by the Board to the Owner or Owners;

15.3.8 Subject to Board approval, the Association will act as attorney-in-fact for the Unit Owners for the purpose of purchasing and maintaining bonds and insurance the Board deems necessary for fire or other hazard, liability for personal injury and property damage, Fidelity of Association officers’ and other employees, and Directors’ and Officer’s liability, for the Association and the Condominium, including the Units, pursuant to the provisions of the Declaration or Bylaws;

15.3.9 Preparation of financial statements, all appropriate income tax returns and the Annual Report to be filed with the Oregon Real Estate Agency; and

15.3.10 Subject to Board review and approval, enforcement by legal means of the provisions of the Act, the Declaration, Bylaws and any Rules and Regulations adopted hereunder.
16. **SUBDIVISION ASSOCIATION**

16.1 **Membership.** Each member of the Association will also be a member of the Subdivision Association as provided in the Subdivision Declaration and must abide by the restrictions contained in the Subdivision Declaration and the Subdivision Association rules and regulations. The membership of an Owner in the Subdivision Association terminates automatically upon termination of membership in the Association. Each membership in the Subdivision Association is appurtenant to the Unit owned by an Owner and may not be transferred in any manner whatsoever except upon a transfer of title to such Unit and then only to the transferee of such title. Any attempt to make a prohibited transfer of a membership is void.

16.2 **Powers and Responsibilities.** The Association may contract with the Subdivision Association for maintaining all or part of the General Common Elements to the extent the Subdivision Association is willing to do so. Any such services provided by the Subdivision Association will be paid for by the Owners as common expenses of the Condominium.

17. **AMENDMENT**

17.1 **Approval Required.**

Except as may otherwise be provided in this Declaration or by the Act, this Declaration may be amended if such amendment is approved by the Owners of at least seventy-five percent (75%) of the Units. Except as otherwise provided in the Act, no amendment may change the size, location, allocation of undivided interest in the Common Elements, method for determining liability for common expenses, right to common income or voting rights of any Unit unless such amendment has been approved by the Owners of the affected Units and the holders of any Mortgages on such Units.

For as long as Declarant has the right to convert the variable land shown on the Plat into Units or owns any unsold Units, the Bylaws, Rules and Regulations, and this Declaration may not be modified, added to, amended or repealed so as to eliminate, change, or impair any rights, privileges, easements, licenses or exemptions granted therein or herein to Declarant or its designee, or otherwise adversely affect Declarant or such designee, without Declarant’s or such designee’s consent.

17.2 **Recordation.**

The amendment will be effective upon recording by the Yamhill County Clerk of the Declaration (as amended) or of the amendment thereto, certified by the President and Secretary of the Association and (if required by law) approved by the Yamhill County Assessor and the Oregon Real Estate Commissioner.
IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 
16th day of June, 2003.

Michelbook-5, LLC,
an Oregon corporation
By: [Signature]
Name: STEVEN D. DALTON
Its: MANAGER

STATE OF OREGON
) ss.
County of Multnomah

The foregoing instrument was acknowledged before me this 16th day of 
June, 2003, by STEVEN DALTON as the MANAGER of Michelbook-5, LLC, an
Oregon limited liability company.

[ Seal]
T. G. MOELLER
NOTARY PUBLIC FOR OREGON
My Commission Expires: January 6, 2003

The foregoing Declaration is approved pursuant to ORS 100.110 this 23rd day of 
June, 2003, and in accordance with ORS 100.110(7), this approval shall
automatically expire if this Declaration is not recorded within two (2) years from this date.

By: [Signature] Brian DeMarco for
Scott W. Taylor Oregon Real Estate Commissioner

The foregoing Declaration is approved this ___ day of ______________, 2003.

ASSESSOR AND TAX COLLECTOR
FOR YAMHILL COUNTY
By: [Signature] Assessor

By: [Signature] Tax Collector
EXHIBIT “A”

THE BYLAWS OF

TURNBERRY CONDOMINIUM ASSOCIATION

an Oregon Nonprofit Mutual Benefit Corporation
BYLAWS

of the

TURNBERRY CONDOMINIUM ASSOCIATION

MADE PURSUANT TO THE OREGON CONDOMINIUM ACT
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. GENERAL PROVISIONS</td>
<td>1</td>
</tr>
<tr>
<td>1.1 Identity</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Bylaws Subject to Other Documents</td>
<td>1</td>
</tr>
<tr>
<td>1.3 Applicability</td>
<td>1</td>
</tr>
<tr>
<td>1.4 Office</td>
<td>1</td>
</tr>
<tr>
<td>1.5 Definitions</td>
<td>2</td>
</tr>
<tr>
<td>2. MEETINGS OF OWNERS</td>
<td>2</td>
</tr>
<tr>
<td>2.1 Initial Meeting</td>
<td>2</td>
</tr>
<tr>
<td>2.2 Transitional Committee</td>
<td>2</td>
</tr>
<tr>
<td>2.3 Turnover Meeting</td>
<td>2</td>
</tr>
<tr>
<td>2.4 Annual Meetings</td>
<td>3</td>
</tr>
<tr>
<td>2.5 Place of Meetings</td>
<td>3</td>
</tr>
<tr>
<td>2.6 Special Meetings</td>
<td>3</td>
</tr>
<tr>
<td>2.7 Notice</td>
<td>3</td>
</tr>
<tr>
<td>2.8 Voting</td>
<td>4</td>
</tr>
<tr>
<td>2.9 Proxies</td>
<td>4</td>
</tr>
<tr>
<td>2.10 Fiduciary and Corporate Owners</td>
<td>5</td>
</tr>
<tr>
<td>2.11 Voting by Mail</td>
<td>5</td>
</tr>
<tr>
<td>The Board may elect to hold any election or vote by mail in accordance with the following procedure.</td>
<td>5</td>
</tr>
<tr>
<td>2.12 Quorum</td>
<td>7</td>
</tr>
<tr>
<td>2.13 Binding Vote</td>
<td>7</td>
</tr>
<tr>
<td>2.14 Order of Business</td>
<td>7</td>
</tr>
<tr>
<td>3. BOARD OF DIRECTORS</td>
<td>7</td>
</tr>
<tr>
<td>3.1 Number, Term and Qualification</td>
<td>7</td>
</tr>
<tr>
<td>3.2 Powers and Duties</td>
<td>8</td>
</tr>
<tr>
<td>3.3 Activities for Profit Prohibited</td>
<td>9</td>
</tr>
<tr>
<td>3.4 Limitation</td>
<td>10</td>
</tr>
<tr>
<td>3.5 Organizational Meeting</td>
<td>10</td>
</tr>
<tr>
<td>3.6 Regular and Special Meetings</td>
<td>10</td>
</tr>
<tr>
<td>3.7 Waiver of Notice</td>
<td>11</td>
</tr>
<tr>
<td>3.8 Quorum</td>
<td>11</td>
</tr>
<tr>
<td>3.9 Removal</td>
<td>11</td>
</tr>
<tr>
<td>3.10 Resignation</td>
<td>11</td>
</tr>
<tr>
<td>3.11 Vacancies</td>
<td>11</td>
</tr>
<tr>
<td>3.12 Compensation</td>
<td>12</td>
</tr>
<tr>
<td>3.13 Liability and Indemnification of Directors, Officers, Manager or Managing Agent</td>
<td>12</td>
</tr>
<tr>
<td>3.14 Fidelity Bonds</td>
<td>12</td>
</tr>
<tr>
<td>3.15 Insurance</td>
<td>12</td>
</tr>
<tr>
<td>3.16 Special Committees</td>
<td>12</td>
</tr>
<tr>
<td>4. OFFICERS</td>
<td>13</td>
</tr>
<tr>
<td>4.1 Designation</td>
<td>13</td>
</tr>
<tr>
<td>4.2 Election</td>
<td>13</td>
</tr>
<tr>
<td>4.3 Removal</td>
<td>13</td>
</tr>
<tr>
<td>4.4 President</td>
<td>13</td>
</tr>
<tr>
<td>4.5 Vice President</td>
<td>13</td>
</tr>
<tr>
<td>4.6 Secretary</td>
<td>14</td>
</tr>
<tr>
<td>4.7 Treasurer</td>
<td>14</td>
</tr>
<tr>
<td>4.8 Execution of Instruments</td>
<td>14</td>
</tr>
<tr>
<td>4.9 Compensation of Officers</td>
<td>14</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

5. BUDGET, EXPENSES AND ASSESSMENTS ................................................................. 15
   5.1 BUDGET; ALLOCATION BY CATEGORY OF USE ........................................... 15
   5.2 DETERMINATION OF COMMON EXPENSES ................................................. 15
   5.3 ASSESSMENT OF COMMON EXPENSES ......................................................... 16
   5.4 RESERVE FUNDS ......................................................................................... 17
   5.5 CONTINGENCY FUND .................................................................................... 18
   5.6 SPECIAL ASSESSMENTS .............................................................................. 18
   5.7 DEFAULT IN PAYMENT OF COMMON EXPENSES ........................................ 18
   5.8 FORECLOSURE OF LIENS FOR UNPAID COMMON EXPENSES ................... 19
   5.9 STATEMENT OF COMMON EXPENSES ...................................................... 19
   5.10 LIEN PRIORITY .......................................................................................... 19
   5.11 VIOLATION BY OWNERS; REMEDIES ..................................................... 19
   5.12 LIABILITY OF OWNERS ............................................................................ 20
   5.13 NO WAIVER ............................................................................................... 20

6. RECORDS AND AUDITS .......................................................................................... 21
   6.1 GENERAL RECORDS .................................................................................... 21
   6.2 RECORDS OF RECEIPTS AND EXPENDITURES ........................................ 21
   6.3 ASSESSMENT ROLL ....................................................................................... 21
   6.4 COMMON EXPENSE PAYMENT RECORDS ................................................. 21
   6.5 ANNUAL REPORTS AND AUDITS ................................................................. 21
   6.6 NOTICE OF SALE, MORTGAGE, RENTAL OR LEASE .............................. 22
   6.7 ASSOCIATION DOCUMENTS ....................................................................... 22

7. OCCUPATION AND USE ....................................................................................... 22
   7.1 GENERALLY ................................................................................................... 22
   7.2 LEASING OR RENTING OF UNITS ............................................................. 22
   7.3 SALES FACILITIES OF DECLARATION ..................................................... 25
   7.4 LIMITED COMMON ELEMENTS ................................................................. 26
   7.5 EFFECT ON INSURANCE .............................................................................. 26
   7.6 OFFENSIVE ACTIVITY .................................................................................. 26
   7.7 PETS ............................................................................................................ 26
   7.8 SIGNS ........................................................................................................... 26
   7.9 COMMON ELEMENT ALTERATIONS ......................................................... 27
   7.10 ASSOCIATION RULES AND REGULATIONS ............................................. 27

8. MAINTENANCE OF CONDOMINIUM PROPERTY AND RELATED MATTERS ............. 27
   8.1 MAINTENANCE AND REPAIR ...................................................................... 27
   8.2 ADDITIONS, ALTERATIONS OR IMPROVEMENTS ..................................... 28
   8.3 DAMAGE OR DESTRUCTION BY CASUALTY ............................................. 28
   8.4 CONDEMNATION .......................................................................................... 28

9. INSURANCE .......................................................................................................... 28
   9.1 ASSOCIATION INSURANCE COVERAGE ................................................... 28
   9.2 OWNER'S INSURANCE COVERAGE ............................................................. 29

10. AMENDMENTS TO BYLAWS ............................................................................. 29
    10.1 HOW PROPOSED ........................................................................................ 29
    10.2 ADOPTION .................................................................................................. 29
    10.3 EXECUTION AND RECORDING .................................................................. 29

11. ARBITRATION ....................................................................................................... 30

12. MISCELLANEOUS ................................................................................................. 30
| 12.1 | NOTICES | .......................................................... | 30 |
| 12.2 | WAIVER | .......................................................... | 30 |
| 12.3 | INVALIDITY; NUMBER; CAPTIONS | .......................................................... | 30 |
| 12.4 | ACTION WITHOUT A MEETING | .......................................................... | 30 |
| 12.5 | CONFLICTS | .......................................................... | 31 |
| 12.6 | RULES OR ORDER | .......................................................... | 31 |
| 12.7 | LIABILITY SURVIVES TERMINATION | .......................................................... | 31 |
| 12.8 | INDEXING | .......................................................... | 31 |
BYLAWS
OF THE
TURNBERRY CONDOMINIUM ASSOCIATION

THESE BYLAWS, to be effective upon their recording in Yamhill County, Oregon, pursuant to the provisions of the Oregon Condominium Act, are made and executed this \[16\] day of \[JUNE\] ________, 2003, by Turnberry Condominium Association, a nonprofit mutual benefit corporation organized under the laws of the State of Oregon (hereinafter “Association”).

1. **GENERAL PROVISIONS**

1.1 **Identity.**

These are the Bylaws of the Association. The Articles of Organization for the Association (the “Articles”) were filed with the Oregon Secretary of State on \[_______\], 2003. The Association has been organized for the purpose of administering the operation and management of Turnberry Condominium (the “Condominium”). The Condominium was established by Michelbook-5, LLC, an Oregon limited liability company (the “Declarant”). The Condominium was established in accordance with the provisions of ORS Chapter 100 (the “Act”). The Condominium is located upon property in Yamhill County, Oregon, the location of which is described in the Turnberry Condominium Declaration (the “Declaration”) to which these Bylaws are attached as Exhibit “A”.

1.2 **Bylaws Subject to Other Documents.**

The provisions of these Bylaws are applicable to said Condominium, and are expressly subject to the terms, provisions and conditions contained in the Articles of Incorporation of the Association, and subject to the terms, provisions and conditions contained in the Declaration of Turnberry Condominium, which is being recorded simultaneously herewith in the records of Yamhill County, Oregon.

1.3 **Applicability.**

Declarant, its successors and assigns, all Owners, tenants and occupants, their agents, invitees, licensees and employees that use the Condominium, or any part thereof, are subject to these Bylaws, and all rules and regulations thereunder as promulgated from time to time.

1.4 **Office.**

The office of the Association shall be at the offices of Sterling Property Services, Inc., 9320 SW Barbur Blvd., Suite 170, Portland, OR 97219-5340, or at any other place designated by the Association.
1.5 Definitions.

Unless otherwise specified, all terms shall have the same meaning in these Bylaws as such terms have in the Declaration.

2. MEETINGS OF OWNERS

2.1 Initial Meeting.

The initial meeting of the Association shall be held within sixty (60) days after the recording of these Bylaws. The Declarant shall call the meeting by written notice to each of the Owners stating the exact time and place of the initial meeting and the purpose thereof. The notice shall be in accordance with the requirements of section 2.7 of these Bylaws, except that the Declarant shall fulfill the role of President or Secretary.

2.2 Transitional Committee.

Unless the turnover meeting (see Section 2.3) has been held, the Declarant shall call a meeting of the Owners within sixty (60) days of the conveyance to persons other than the Declarant of fifty-one percent (51%) of all Units which may be created under 100.150. Notice of the meeting shall be given (as provided in Section 2.7) to each Owner at least seven (7) but not more than fifty (50) days prior to the meeting. The notice shall state the purpose of the meeting and the time and place where it is to be held. If the meeting is not called by the Declarant within the time specified, the meeting may be called and notice given by any Owner. If at the meeting the Owners, other than the Declarant, fail to select a transitional committee, the Declarant shall have no further responsibility to form such a committee. The committee shall be advisory only and shall consist of two or more members selected by Owners other than Declarant and shall not include more than one representative of Declarant. The committee members shall serve until the turnover meeting, and the committee shall function to ease the transition from control of the administration of the Association by the Declarant to control by the Owners. The requirement for a transitional committee shall not apply once the turnover meeting has been held.

2.3 Turnover Meeting.

A turnover meeting shall be called by the Declarant within ninety (90) days from the earlier of (a) seven (7) years from the date of conveyance of the first Unit; (b) the date of conveyance to persons other than Declarant of 75% of the Units in the Condominium which may be created under 100.150; or (c) the date on which Declarant elects to relinquish permanently its control, whichever date first occurs. The Declarant shall give notice (as provided in Section 2.7) of the turnover meeting to each Owner at least seven (7) but not more than fifty (50) days prior to the meeting. The notice shall state the purpose of the meeting and the time and place where it is to be held. If the meeting is not called by Declarant, the meeting may be called and notice given by any Owner or by any first Mortgagee of a Unit. At the turnover meeting, the Declarant shall relinquish control of the Association to the Owners and the latter shall assume control. The Owners shall elect a Board of Directors as set forth in these Bylaws and Declarant shall deliver to the Association the items specified in ORS 100.210. During the three (3) month period
following the turnover meeting, a representative of the Declarant shall be available to meet with the Board on at least three mutually acceptable dates to review the documents delivered, pursuant to ORS 100.210.

2.4 **Annual Meetings.**

In the first quarter of the calendar year following the calendar year in which the turnover meeting is held, the first annual meeting of Owners shall be held. At such meeting, the incumbent directors elected at the turnover meeting to serve until the first annual meeting shall resign and new directors shall be elected by the Owners as provided herein. Thereafter, annual meetings shall be held in the same month or in the month following, at such hour and on such date as the Board may designate, or if they should fail to designate such date by the last day of the first month in which the meeting may be held, then the meeting shall be held on the second Wednesday of the second month in which the meeting may be held, unless such day shall be a legal holiday, in which event the meeting shall be held on the next succeeding business day. At such meetings, the Owners shall elect directors to fill vacancies or to succeed retiring directors as provided in Section 3 of these Bylaws and shall also transact such other business of the Association as may properly come before the meeting.

2.5 **Place of Meetings.**

Meetings of the Owners shall be held at the principal office of the Association, or at such other suitable place within Oregon, convenient to the Owners, as may be designated by the Board.

2.6 **Special Meetings.**

Special meetings of the Association may be called at any time by the chairperson of the board of directors, a majority of the board of directors or thirty percent (30%) of owners for the purpose of considering matters which, by the terms of the Act, the Declaration or these Bylaws, require the approval of all or some of the Owners, or for any other reasonable purpose. Such meetings shall be called by written notice of the President if so directed by the Board Chairman, by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by the Owners of not less than thirty percent (30%) of the Units stating the purpose of the meeting. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof.

2.7 **Notice.**

The President or Secretary shall give written notice of each Owners’ meeting at least ten (10) days but not more than fifty (50) days prior to the date set for such meeting. The notice shall state the purpose thereof and the time and place where it is to be held. Notice shall be given to each Owner of record, and to any first Mortgagee of record requesting such notice, at the address of such Owner as listed on the books of the Association, or at such other address as such Owner shall have designated by notice in writing to the President or Secretary, at least ten (10) days prior to the giving of such notice of meeting. The giving of a notice in the manner provided in
these Bylaws shall be considered notice properly served. Proof of the giving of such notice, whether by mail or personal delivery, shall be given by the affidavit of the person giving the notice. Notice of a meeting may be waived by any Owner before or after the meeting. When a meeting is adjourned for less than thirty (30) days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

2.8 Voting.

2.8.1 The total voting power of all Owners is one hundred percent (100%). Each Owner is entitled to one (1) vote per Unit owned. An Owner's votes must be voted in single block and may not be split.

2.8.2 In accordance with ORS 100.525(b), co-owners of a Unit will have only one vote per Unit owned. In the absence of protest by a co-owner, the vote may be exercised by any one of the co-owners present at a meeting. In the event of a disagreement among co-owners, the vote of the Unit or Units owned will be disregarded completely in determining the proportion of votes given with respect to the matter at issue, unless a valid court order establishes the authority of a co-owner to vote.

2.8.3 The designation of a voting representative may be revoked and changed at any time by actual written notice to the Board from a party having an ownership interest in a Unit, or by actual written notice of the death or judicially-declared incompetence of any party with an ownership interest in the Unit.

2.8.4 The power of designation and revocation may be exercised by the trustee, receiver, guardian, or conservator of an Owner and the administrator or executor of an Owner's estate.

2.8.5 The Declarant is entitled to vote as the Owner of any Units it owns at the time of the election, and the Board is entitled to vote on behalf of any Unit which has been acquired by or on behalf of the Association; provided, however, that the Board may not vote such Units in any election of directors.

2.8.6 Any person, on becoming an Owner, must furnish to the managing agent or Board a photocopy of the certified copy of the recorded instrument by which ownership of the Unit was obtained, which instrument will remain in the files of the Association. An Owner will not be deemed to be in good standing nor will an Owner be entitled to vote at any annual or special meeting of Owners unless this requirement is first met.

2.9 Proxies.

A vote may be cast in person 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, signed by such Owner, shall run to a person or persons of legal age, and shall be filed with the Secretary. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy, and every proxy shall automatically cease upon sale of the Unit by its Owner. An Owner may pledge or assign voting rights to a Mortgagee. In such case, the Mortgagee or its designated
2.10 Fiduciary and Corporate Owners.

An executor, administrator, conservator, guardian or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any Unit owned or held in such capacity, whether or not the same has been transferred to such person's name; provided, however, that such person must satisfy the Secretary that the person is the executor, administrator, conservator, guardian or trustee, holding such Unit in such capacity. Any person voting on behalf of a Unit owned by a corporation or other entity must provide the Secretary with written evidence, satisfactory to the Secretary, that such person is the duly constituted representative thereof.

2.11 Voting by Mail.

The Board may elect to hold any election or vote by mail in accordance with the following procedure:

2.11.1 In the case of an election of Board members by written ballot, then in addition to the other requirements set forth in this Section 2.11, the following procedures must be followed:

2.11.1.1 the existing Board members must advise the Secretary in writing of the names of proposed Board members sufficient to constitute a full board and of a date at least fifty (50) days after such advice is given by which all votes are to be received;

2.11.1.2 the Secretary, within five (5) days after such advice is given, must give written notice of the number of Board members to be elected and of the names of the nominees to all Owners;

2.11.1.3 the notice must state that any such Owner may nominate an additional candidate or candidates, not to exceed the number of Board members to be elected, by giving written notice of such nomination to the Secretary on or before a specified date which must be fifteen (15) days from the date after the notice was given by the Secretary; and

2.11.1.4 five (5) days after such specified date, the Secretary must give written notice to all Owners, stating the number of Board members to be elected, stating the names of all persons nominated by the Board and by the Owners on or before the deadline, stating that each Owner may cast a vote by mail and stating the deadline established by the Board by which such votes must be received by the Secretary at the address of the principal office of the Association (which must be specified in the notice) and that votes received after that date will not be effective.
2.11.2 Any action that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Association member that is entitled to vote on the matter.

2.11.2.1 A written ballot must set forth each proposed action and provide an opportunity to vote for or against each proposed action.

2.11.2.2 The Board must provide owners with at least 10 days’ notice before written ballots are mailed or otherwise delivered.

2.11.2.3 If, at least three days before written ballots are scheduled to be mailed or otherwise distributed, at least 10 percent of the Owners petition the Board 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. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

2.11.3 Matters that may be voted on by written ballot will be deemed approved or rejected as follows:

2.11.3.1 If approval of a proposed action otherwise would 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 approved when the date for return of ballots has passed, a quorum of unit owners has voted, and the required percentage of approving votes has been received. Otherwise, the proposal will be deemed to be rejected.

2.11.3.2 If approval of a proposed action otherwise would require a meeting at which a specified percentage of Owners must authorize the action, the proposal will be approved when the percentage of total votes cast in favor of the proposal equals or exceeds such required percentage.

2.11.4 All solicitations for votes by written ballot must state the following:

2.11.4.1 If approval of the proposal by written ballot requires that the total number of votes cast equal or exceed a certain quorum requirement, the number of responses needed to meet such quorum requirement;

2.11.4.2 If approval of a proposal by written ballot requires that a certain percentage of total votes cast approve the proposal, the required percentage of total votes needed for approval; and

2.11.4.3 If the matter being voted on is the election of directors to the Board, the additional items set forth in Section 2.11.1.

2.11.5 All solicitations for votes by written ballot must specify the period during which the Association will accept written ballots for counting, and a date certain on which all ballots must be returned to be counted.
2.12 Quorum.

At any meeting of the Association, the presence, in person or by proxy, of Owners representing a majority of the votes shall constitute a quorum. The subsequent joinder of an Owner in the action taken at a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of an Owner or Owners. 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 until a quorum is present.

2.13 Binding Vote.

The vote of more than fifty percent (50%) of the total votes of the Owners present, in person or by proxy, at a meeting at which a quorum is constituted shall be binding upon all Owners for all purposes except where a higher percentage vote is required by law, the Declaration or these Bylaws.

2.14 Order of Business.

(a) The order of business at annual meetings of the Association shall be.

(b) Calling of the roll and certifying of proxies;

(c) Proof of notice of meeting or waiver of notice;

(d) Reading of minutes of preceding meeting;

(e) Reports of officers;

(f) Reports of committees, if any;

(g) Election of directors;

(h) Unfinished business;

(i) New business; and

(j) Adjournment.

3. BOARD OF DIRECTORS

3.1 Number, Term and Qualification.

The affairs of the Association shall be governed by the Board, which shall consist of three (3) persons as determined from time to time by the Owners. Until the turnover meeting (as provided for in Section 2.3 of these Bylaws) shall have been held, the Board shall consist of the directors named in the Articles of the Association. The Declarant shall have the power to remove
and replace directors until the Turnover Meeting. At the turnover meeting, if three (3) directors are elected, one director shall be elected for a term of one (1) year, one director for a term of two (2) years and one director for a term of three (3) years. At the expiration of the initial term of office of each director, the successor shall be elected to serve for a term of three (3) years. The director shall hold office for the term herein fixed and until the director's successors have been qualified and elected. There shall be no limit on the number of successive terms a director may serve on the Board, if elected as herein provided. After the turnover meeting, all directors shall be Owners except for the Declarant. Subsequent to the turnover meeting, no director shall continue to serve on the Board after ceasing to be an Owner. For purposes of this Section 3.1, the officers of any corporation, the trustees of any trust, or the partners of any partnership that owns a Unit shall be considered co-Owners of any such Unit.

3.2 Powers and Duties.

The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts except such acts which by law, the Declaration, or these Bylaws may not be delegated to the Board by the Owners. Such powers and duties of the Board shall include, without limitation (except as limited elsewhere herein) the following.

3.2.1 Operation, care, upkeep and maintenance of the portions of the Condominium that are the responsibility of the Association such as the General Common Elements and the roofs and party walls of the Units.

3.2.2 Determine amounts required for operation, maintenance and other affairs of the Association, and the making of such expenditures.

3.2.3 Collect common expenses from Owners.

3.2.4 Provide for the designation, hiring and removal of employees and other personnel, including lawyers and accountants, to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Condominium and to delegate any such powers to the manager or managing agent (and any such employees or other personnel as may be employees of the managing agent).

3.2.5 Adoption and amendment of reasonable Rules and Regulations pursuant to Section 7.7 of these Bylaws.

3.2.6 Maintain all Association funds in bank accounts within the State of Oregon on behalf of the Association and designate required signatories.

3.2.7 The acquisition of any and all goods and services necessary for the operation of the Condominium or for enforcement of the Declaration and these Bylaws consistent with Board-approved budgets or specially approved by the Board.

3.2.8 Pay any amount necessary to discharge any lien or encumbrance which is claimed to or may, in the opinion of the Board, constitute a lien or encumbrance against the Common Elements as opposed to a particular Owner's Unit. Where one or more Owners are
responsible for the existence of such a lien, they shall be jointly and severally liable for the cost of discharging it, and any costs and expenses (including court costs and attorneys’ fees, both at trial and on appeal) be specially assessed against the Owners and the Units responsible, to the extent of their responsibility.

3.2.9 Subject to Board approval, obtain and review bonds and insurance the Board deems necessary such as liability for personal injury and property damage, fidelity of Association officers’ and other employees, and Directors’ and Officer’s liability, for the Association and the Condominium, including the Units, pursuant to the provisions of the Declaration or Bylaws.

3.2.10 Subject to the limitations set forth in Section 3.4, make repairs, replacements, additions and improvements to, or alterations of, both the general and limited Common Elements and repairs to and restoration of the Common Elements in accordance with the Declaration or Bylaws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or settlement under the threat thereof; provided, that if for any reasons such repairs or restorations are provided for the Limited Common Elements appurtenant to any particular Unit, or otherwise for the benefit of particular Units or their Owners, the cost thereof shall be specially assessed against the Owners of such Units.

3.2.11 Subject to the limitations set forth in Section 3.4, borrow money on behalf of the Association when required in connection with the operation, care, upkeep, and maintenance of the General Common Elements and Unit roofs; provided, however, that no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the Owner of such Unit. The Association shall have no power to encumber the Common Elements to secure repayment of borrowed funds without the written consent of all the Owners.

3.2.12 Subject to the limitations contained in Section 9.4 of these Bylaws, adjust and settle claims under insurance policies and execute and deliver releases on settlement of such claims on behalf of all Owners, all holders of Mortgages or other liens on the Units and all Owners of any other interest in the Condominium.

3.2.13 File all appropriate income tax returns and the Annual Report with the Oregon Real Estate Agency.

3.2.14 Enforcement by legal means of the provisions of the Act, the Declaration, these Bylaws and any Rules and Regulations adopted hereunder.

3.3 Activities for Profit Prohibited.

Nothing herein contained shall be construed to give the Board authority to conduct an active business for profit on behalf of all of the Owners or any of them.
3.4 Limitation.

The Board’s powers enumerated in these Bylaws shall be limited in that the Board shall have no authority to. (1) acquire and pay for out of the maintenance fund any structural alterations, capital additions to, or capital improvements of the Common Elements (other than for purposes of repairing, replacing or restoring portions of the Common Elements, subject to all the provisions of these Bylaws) requiring an expenditure in excess of an amount or amounts, aggregated for the calendar year in question, exceeding three percent (3%) of the estimated total budget of the Association for such calendar year, or (2) enter into agreements not to be performed within two years, except agreements specifically authorized in these Bylaws, without in each case the prior approval of Owners representing more than fifty percent (50%) of the votes of the Owners, present in person or by proxy at a duly called meeting for such purpose at which a quorum is constituted.

3.5 Organizational Meeting.

Within fourteen (14) days following the annual meeting of the Association, or following any meeting at which an election of Directors has been held, the Board shall hold an organizational meeting at such place and time as shall have been fixed by the Directors at the meeting at which the election was held.

3.6 Regular and Special Meetings.

Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Special meetings of the Board may be called by the President and must be called by the Secretary at the written request of at least one Director. Notice of any special meeting shall be given to each Director, personally or by mail, telephone or other generally accepted means of communication at least seven (7) days prior to the day named for such meeting, and shall state the time, place and purpose of such meeting. All meetings of the Board shall be open to Owners. Such meetings may be conducted by telephonic communication, except that if a majority of the Units are principal residences of the occupants, then: (a) for other than emergency meetings, notice of each Board 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 (b) only emergency meetings of the Board may be conducted by telephonic communication. Although all meetings of the board of directors of the association of unit owners shall be open to unit owners, in the discretion of the board the following matters may be considered in executive session: (a) Consultation with legal counsel concerning the rights and duties of the association regarding existing or potential litigation, or criminal matters; (b) Personnel matters, including salary negotiations and employee discipline; and (c) The negotiation of contracts with third parties. Except in cases 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 of the board of directors shall state the general nature of the action to be considered and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to owners. The meeting and notice requirements hereof may not be circumvented by chance or social meetings or by any other means.
3.7 **Waiver of Notice.**

Any Board member may at any time waive notice of any meeting of the Board in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall constitute a waiver of notice of the time and place thereof, except where a Director attends the meeting for the sole purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all the members of the Board are present at any Board meeting, however, no notice to Directors shall be required and any business may be transacted at such meeting.

3.8 **Quorum.**

At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board present at a meeting at which a quorum is present shall constitute the act of the Board. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.9 **Removal.**

At any regular or special meeting of Owners, any one or more of the Board members may be removed with or without cause by a majority of the Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. The notice of any such meeting shall state that such removal is to be considered, and any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

3.10 **Resignation.**

Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, addressed to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary.

3.11 **Vacancies.**

Vacancies in the Board caused by any reason other than the removal of a member thereof by a vote of the Owners shall be filled by vote of a majority of the remaining members at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board for the remainder of the term of the member creating such vacancy and until a successor shall be elected at the next annual meeting of the Owners.
3.12 **Compensation.**

No Director shall receive any compensation from the Association for acting as such, but shall be reimbursed for reasonable out-of-pocket expenses.

3.13 **Liability and Indemnification of Directors, Officers, Manager or Managing Agent.**

The Directors and officers shall not be liable to the Association or the Owners for any mistake of judgment, negligence, or otherwise except for their own willful misconduct or bad faith. The Association shall indemnify and hold harmless each director and officer and the manager or managing agent on behalf of the Association unless such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws. Each director and officer and the manager or managing agent, if any, shall be indemnified by the Association against all expenses and liabilities, including attorneys’ fees, reasonably incurred or imposed upon them in connection with any proceeding to which they may be a party, or which they may become involved by reason of being or having been a director, officer, manager or managing agent and shall be indemnified upon any reasonable settlement thereof; provided, however, there shall be no indemnity if the director, officer, manager or managing agent is adjudged guilty of willful nonfeasance, misfeasance or malfeasance in the performance of their duties. As to any manager or managing agent this section shall only be applicable to third party tort claims up to the amount of the Association’s liability insurance coverage and shall not in any way apply to contractual liability or obligations under the management contract.

3.14 **Fidelity Bonds.**

The Board shall require that any person or entity, including, but not limited to, employees of any professional manager, who handles or is responsible for Association funds, shall furnish a fidelity bond as the Board deems adequate. The premiums on such bonds shall be paid by the Association.

3.15 **Insurance.**

The Board of Directors shall comply with the insurance requirements in Section 9 of these Bylaws. In addition, the Board, in its discretion, may obtain such other insurance as it deems necessary to protect the interests of the Association, Board or Owners. Not less frequently than once every two (2) years, the Board must cause the managing agent to conduct a full insurance review, estimate the full replacement value of the improvements contained in the Condominium, and modify the insurance coverage, as needed, if it has been more than 12 months since the last such review.

3.16 **Special Committees.**

The Board by resolution may designate one or more special committees, each committee to consist of two (2) or more Owners which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. Such special committee or committees shall have such name or names as may be determined from time to time by the Board. Such
special committees must keep regular minutes of their proceedings and report the same to the Board when required. The members of such special committee or committees designated shall be appointed by the Board or the President. The Board or the President may appoint Owners to fill vacancies on each of said special committees occasioned by death, resignation, removal, or inability to act for any extended period of time.

4. **OFFICERS**

4.1 **Designation.**

The principal officers of the Association shall be the President, Secretary, and Treasurer, each of whom shall be elected by the Board. Only the President and Vice President need be Owners, or members of their family, fiduciaries, beneficiaries or Mortgagees (and in the case of Units owned by corporations or partnerships, the offices may be held by directors, officers, shareholders, partners or employees of such organizations).

4.2 **Election.**

The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board and until their successors are elected and qualified. If any office shall become vacant, the Board shall elect a successor to fill the unexpired term at any regular Board meeting, or at any special meeting of the Board called for such purpose.

4.3 **Removal.**

Upon the affirmative vote of a majority of the Board, any officer may be removed, either with or without cause, and a successor may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

4.4 **President.**

The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Owners and of the Board and shall have all of the general powers and duties which are usually incident to the office of the chief executive officer of an association, including, but not limited to, the power to appoint committees from time to time as may, in the President’s discretion, be appropriate to assist in the conduct of the affairs of the Association.

4.5 **Vice President.**

The Vice President shall take the place of the President and perform such duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be prescribed by the Board or President.
4.6 Secretary.

The Secretary shall keep minutes of all proceedings of the Board and minutes of all Association meetings. The Secretary shall attend to the giving and serving of all notices to the Owners and Directors and other notices required by law. Association records shall be kept by the Secretary, except for those of the Treasurer. The Secretary shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the President. In addition, the Secretary shall act as Vice President, taking the place of the President and performing such duties whenever the President is absent or unable to act, unless the directors have appointed another Vice President.

4.7 Treasurer.

The Treasurer shall be responsible for Association funds and securities and shall be responsible for supervising the managing agent and causing the same to keep full and accurate financial records and books of account showing all receipts and disbursements necessary for the preparation of all required financial statements. The Treasurer shall review the reports and statements provided by the managing agent with respect to the deposit of all funds and other valuable effects in such depositories as may from time to time be designated by the Board, and the disbursement of Association funds in accordance with the approved Association budget and any special authorizations from the Board for unBudgeted items. The Treasurer shall in general perform all other duties incident to the office of treasurer of an association and such other duties as may be assigned by the Board. All assessments must be deposited in a separate bank account in the name of the Association. All expenses of the Association must be paid from the Association bank account.

4.8 Execution of Instruments.

All agreements, contracts, deeds, leases and other instruments of the Association, except checks, shall be executed by such person or persons as may be designated by general or special resolution of the Board and, in the absence of any general or special resolution applicable to any such instrument, then such instrument shall be signed by the President. All checks may be signed by the managing agent or any duly elected officer of the Association.

4.9 Compensation of Officers.

No officer who is a member of the Board, other than the Secretary and Treasurer, shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the Owners. The Board may fix any reasonable compensation to be paid to the Secretary, Treasurer and any officers who are not also directors.
5. BUDGET, EXPENSES AND ASSESSMENTS

5.1 Budget; Allocation by Category of Use.

The Board shall from time to time, but in no event less frequently than once every twelve months, prepare a budget for the Association, estimate the common expenses expected to be incurred, less any previous overassessment, and assess the common expenses to each Owner in the method as set forth below. The budget shall reflect comparable figures for the prior year as to all items therein. Except as otherwise provided herein, the Board shall advise each Owner in writing of the amount of common expenses payable by that Owner, and furnish copies of each budget and amended budget on which such common expenses are based to all Owners and, if requested, to their Mortgagees, at least fourteen (14) days prior to the annual meeting of the Association. Failure to deliver a copy of any budget or amended budget to each Owner shall not affect the liability of any Owner for any such assessment. Nothing herein contained shall be construed as restricting the right of the Board to, at any time, in their sole discretion, levy any additional assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

5.2 Determination of Common Expenses.

Except as otherwise provided herein, common expenses shall include but not be limited to.

5.2.1 Expenses of administration.

5.2.2 Cost of insurance or bonds obtained in accordance with these Bylaws.

5.2.3 A general operating reserve.

5.2.4 Reserve for replacement of General Common Elements as required by the Oregon Condominium Act and as more fully described in Section 5.3.2 of these Bylaws.

5.2.5 Any deficit in common expenses for any prior period, and any accrued interest or late charges thereon.

5.2.6 Utilities for the Common Elements and other utilities not separately metered or charged.

5.2.7 Expenses, if any, of any services of any person or firm to act on behalf of the Owners in connection with any matter where the respective interests of the Owners are deemed by the Board to be similar and non-adverse to each other.

5.2.8 Fees for professional management services.

5.2.9 Cost of work on the roofs or party walls of the Units, which shall be specially assessed against the Owners of the affected Units in accordance with the Declaration.
5.2.10 Cost of maintenance, repair and replacement of the General Common Elements, provided that if such repairs, maintenance, or replacement are for the benefit of particular Units or their Owners, the cost thereof shall be specially assessed against the Owners of such Units. The Board will have the exclusive right and duty to acquire the same for the Common Elements.

5.2.11 Any other materials, supplies, labor, services, maintenance, repairs, alterations or assessments which the Board is required to secure or pay for, pursuant to the terms of the Declaration or these Bylaws or which in its opinion shall be necessary or proper for the maintenance and operation of the Condominium or for the enforcement of these restrictions, and which the Board determines should be assessed to the Owners under Section 5.3.

5.2.12 The discharge of any lien or encumbrance against the Common Elements, as opposed to a particular Owner’s Unit. Where one or more Owners are responsible for the existence of such lien or encumbrance, they shall be jointly and severally liable for the cost of discharging it, which cost shall be specifically assessed to the responsible Owners.

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

5.3 **Assessment of Common Expenses.**

All Owners shall be obliged to pay on a monthly basis in advance common expenses assessed to them by the Board on behalf of the Association pursuant to these Bylaws and the Declaration including assessments applicable to any reserve fund described in these Bylaws. Assessments may not be waived due to limited or nonuse of Condominium Common Elements. The Declarant shall be assessed as the Owner of any unsold Unit from the date of conveyance of the first Unit except with respect to Units created or annexed by supplemental declaration thereafter in which case the assessment shall accrue from the date of the supplemental declaration. The Declarant’s assessment obligations shall be prorated to the date of sale of each Unit. The Declarant shall be allowed to accrue the portion of any such assessments applicable to the reserve fund described below with respect to each Unit until the earlier of (a) the date the Unit is conveyed, (b) the date of the turnover meeting, or (c) the date when the Owners other than the Declarant assume administrative control of the Association. The Declarant shall maintain a record of the amount it owes for such accrued reserve assessments as a part of the financial books and records of the Association. Assessments shall commence upon closing of the first sale of a Unit in the Condominium. At the time of closing of the initial sale of each Unit, the purchaser shall make the initial contribution to the working capital and the reserve fund (described below) of the Association equal to two (2) months of Association expense assessments for the Unit. In addition, the Declarant shall pay all accrued assessments for the reserve fund, if any. As provided in the Act, the Declarant may elect to defer commencement of all or part of the common expense assessments (other than for required reserve assessments) as to all Units and pay the common expenses directly as they accrue to the Condominium until the date of the turnover meeting or 10 days after notice from the Declarant that assessments will commence, whichever is first to occur. The Board, on behalf of the Association, shall assess the common expenses against the Owners from time to time, and at least annually, and shall take prompt action to collect from an Owner any common expense due which remains unpaid by an Owner.
for more than thirty (30) days from the due date for its payments except as provided otherwise with respect to reserve assessments on Units owned by the Declarant. A Unit Owner shall be personally liable for all assessments imposed on the Unit Owner or assessed against the Unit by the Association. Multiple Owners shall have joint and several liability for all assessments.

5.4 Reserve Funds.

5.4.1 Declarant may establish, in the name of the Association, a reserve fund for major repairs and replacements of General Common Elements, Unit roofs and assets of the Association. As required by ORS 100.175, a reserve fund shall be established for the replacement of any Common Elements, all or part of which will normally require replacement in more than three (3) and less than thirty (30) years. The required reserve fund shall include the cost of replacing the roofs of the Units.

5.4.2 The determination of Common Expenses under Section 5.2 will be calculated on the basis of expected repair and replacement costs and the life expectancy of the items comprising the Common Elements and the assets of the Association such that the amount of the reserve fund is reasonably calculated to provide sufficient funds for major repair and replacement of the Common Elements and assets of the Association. The Association must administer the reserve fund and the amount of the payments in the reserve fund must be adjusted at regular intervals, but in no event less frequently than annually to recognize changes in current replacement costs over time.

5.4.3 The Board must conduct a reserve study, or review and update an existing study of the Common Elements at regular intervals, but in no event less frequently than annually to determine the Reserve Fund requirements. The reserve study must include: (a) identification of all items for which reserves are to be established; (b) the estimated remaining useful life of each item as of the date of the reserve study; (c) an estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and (d) a 30-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule.

5.4.4 Assessments paid into the reserve fund are the property of the Association and are not refundable to the Owner or Owners of a Unit upon the sale of any Unit owned by them.

5.4.5 Following the second year after the Turnover Meeting, the Association may, on an annual basis, elect not to fund the Reserve Fund by unanimous vote of the Owners, or elect to reduce or increase future assessments for the Reserve Fund by an affirmative vote of at least 75% of the Owners.

5.4.6 Any funds set up for any of the purposes mentioned in this Section will be deemed to be a reserve fund notwithstanding that may not be so designated by the Board. The amount of the reserve fund must be distributed to the Owners on termination of the Condominium and the Association.

17 –BYLAWS – TURNBERRY CONDOMINIUM
5.4.7 The Reserve Fund is to be used only for maintenance, repair and replacement of Common Elements for which reserves have been established and is to be kept separate from other funds. However, after the Turnover Meeting, the Board may borrow funds from the Reserve Fund to meet high seasonal demands on the regular operating funds or to meet other temporary expenses that will later be paid from special assessments or maintenance fees.

5.5 Contingency Fund.

The Board may also build up and maintain a reasonable reserve for contingencies and replacements not covered by subparagraph 5.4.2 above. Extraordinary expenditures not originally included in the annual estimate which may become necessary during the year may be charged against such reserve. If the estimated cash requirement proves inadequate for any reason, including non-payment of any Owner’s assessment, the Board may at any time levy a further assessment of common expenses. The Board shall serve notice of such further assessment on all Owners by a statement in writing giving the amount and reasons therefore, and such further assessments shall be effective with the first quarterly assessment of common expenses which is due more than ten (10) days after the delivery or mailing of such notice of further assessment.

5.6 Special Assessments.

The expense of any action by the Association to enforce and fulfill the requirements of these Bylaws or the Declaration with respect to any Unit and its associated Limited Common Elements, shall be charged to said Owner as a special assessment. Any such special assessment shall be a lien against the Owner’s Unit with the same force and effect as if the charge were a part of the ordinary assessments of common expenses attributable to the Owner’s Unit. Any unmetered services provided to Units pursuant to Section 3.2 of these Bylaws shall be specially assessed to the Units on a fee for service basis.

5.7 Default in Payment of Common Expenses.

5.7.1 In the event of delinquency or default by any Owner in paying to the Association the assessed Common Expenses (including but not limited to reserve assessments or any special assessments), such Owner will be obligated to pay interest on such Common Expenses from the due date thereof, at the rate of eighteen percent (18%) per annum or the maximum legal rate of interest permitted by Oregon law, whichever is less, together with all expenses, including attorneys’ fees, whether or not legal proceedings are commenced and both at trial and on appeal incurred by the Association in collecting such unpaid expenses together with all expenses, including attorneys' fees, incurred by the Association in any proceeding brought to collect such unpaid expenses, no interest or late charges will be assessed on delinquent Common Expenses paid within fifteen (15) days after the due date thereof.

5.7.2 The Board may also establish and impose charges for late payments of assessments, attorney fees for collection of assessments and, after giving notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations, provided that any such charge or fine is based on a schedule set forth in
resolution adopted by the Board or the Association that is delivered to each Unit or mailed to
each owner and the address designated by each owner for the receipt of any notice with respect to
the Condominium.

5.7.3 The Board has the right and duty to recover for the Association such
Common Expenses, together with interest thereon, late charges, if any, and expenses of the
proceeding, including attorneys' fees, by an action brought against such Owner or by foreclosure
of the lien upon the Unit granted by the Act. The Board must notify the holder of any first
mortgage upon a Unit of any default not cured within thirty (30) days of the date of notice of
default.

5.8 Foreclosure of Liens for Unpaid Common Expenses.

In any action brought by the Association to foreclose a lien on a Unit because of unpaid
common expenses, the Owner shall be required to pay a reasonable rental for the use of the Unit
during the pendency of the suit, and the plaintiff in such foreclosure suit shall be entitled to the
appointment of a receiver to collect such rental. The Board, acting on behalf of the Association,
shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease,
mortgage, vote the votes appurtenant to, convey, or otherwise deal with the Unit. An action to
recover a money judgment for unpaid common expenses shall be maintainable without
foreclosing any lien securing the same. The remedies provided herein are cumulative, and the
Association may pursue any of them, as well as any other remedies which may be available under
law, although not expressed herein.

5.9 Statement of Common Expenses.

In accordance with ORS 100.480(4), the Board must within 10 days of an Owner’s
written request provide any Owner a written statement of that Owner’s due and unpaid
assessments as of the time the request was received including but not limited to (a) regular and
special assessments, (b) fines and other charges, (c) accrued interest and the method used to
calculate it, and (d) late payment charges and the method used to calculate it. The Association
need not provide such a statement 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.

5.10 Lien Priority.

Any lien of the Association against a Unit for common expenses shall have the priority
provided in the Act in relation to other tax and assessment liens, and any prior Mortgage or Trust
Deed of record.

5.11 Violation by Owners; Remedies.

Subject to any limitations contained in the Declaration, the violation of any Rule or
Regulation adopted by the Board, or the breach of any covenant or provision contained in the
Declaration or the Bylaws shall give the Board the rights set forth in the Declaration and the
right. (1) to enter upon that part of the Condominium where such violation or breach exists and
summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board or its agents shall not thereby be deemed guilty in any manner of trespass and (2) to enjoin, abate or remedy by appropriate legal proceedings the continuance of any breach. All expenses of the Board in connection with such violation and such action or proceedings, including engineering, architectural and other professional fees and costs, court costs and attorneys’ fees and any other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon until paid at the rate provided in Section 5.5 of these Bylaws, shall be charged to and assessed against such defaulting Owner and shall be added to and deemed part of that Owner’s respective share of the common expenses. The Board shall have a lien for all of the same upon the Unit of such defaulting Owner and upon all of his additions and improvements thereto and upon all personal property in that Owner’s Unit or located elsewhere in the Condominium. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board. Any violations by an Owner of the Declaration, Bylaws, or Rules and Regulations which are deemed by the Board to be a hazard to public health or safety may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the offending Owner as a specific item, which shall be a lien against the offending Owner’s Unit with the same force and effect as if the charge was a part of the normal common expenses attributable to such Unit. Any violation or breach by an Owner’s tenant, occupant, agent, invitee, licensee or employee shall be deemed a violation or breach of the owner.

5.12 Liability of Owners.

An Owner shall be liable for the expenses of any Common Element maintenance, repair or replacement rendered necessary by that Owner’s act, neglect or carelessness or by that of any member of the Owner’s family, or the Owner’s guests, employees, invitees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation. The expense of any maintenance, repair or replacement required, as provided herein, shall be charged to said Owner as a specific item, which shall be a lien against such Owner’s Unit with the same force and effect as if the charge was a part of the normal common expenses attributable to such Owner’s Unit.

5.13 No Waiver.

The failure of the Association or of an Owner to enforce any right, provisions, covenant or condition, which may be granted by any of the provisions of the Declaration, the Bylaws, or any Rules or Regulations shall not constitute a waiver of the right of the Association or Owner to enforce such right, provision, covenant or condition in the future. The receipt by the Board of payment of any assessment from an Owner, with knowledge of any such violation or breach, shall not be deemed a waiver of such violation or breach; and no waiver by the Board or any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board. This section also extends to the Declarant or Declarant’s managing agent exercising the power of the Board during the initial period of operation of the Association and the Condominium.

20—BYLAWS—TURNBERRY CONDOMINIUM
6. **RECORDS AND AUDITS**

6.1 **General Records.**

The Board and managing agent shall keep detailed records of the actions of the Board and managing agent and minutes of Board and Association meetings. The Board shall maintain a list of Owners entitled to vote at Association meetings and a list of all Mortgagees of Units.

6.2 **Records of Receipts and Expenditures.**

The Board or its designee shall keep detailed, accurate records in chronological order of receipts and expenditures affecting the Common Elements, itemizing maintenance and repair expenses of the Common Elements and any other expenses incurred. Such records and the budgets authorizing the payments shall be available for examination by the Owners and Mortgagees during normal business hours.

6.3 **Assessment Roll.**

The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and address of the Owner or Owners, the amount of each assessment against the Owners, the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

6.4 **Common Expense Payment Records.**

The managing agent shall pay all budgeted common expenses without further authorization by the Association. Any unbudgeted common expenses shall require the President's signature on a written authorization voucher to the managing agent before payment of the same by the managing agent. Unless requested more frequently, the managing agent shall be required to provide quarterly reports of the payments made by it on behalf of the Association.

6.5 **Annual Reports and Audits.**

An annual financial statement of the Association, consisting of at least a balance sheet and income and expense statement for the preceding fiscal year, shall be rendered by the Board and delivered to all Owners and to all Mortgagees of Units who have requested the same, within ninety (90) days after the end of each fiscal year. The Treasurer of the Association shall file required state and federal tax returns based upon the annual financial statements. An Annual Report shall be filed each year with the Oregon Real Estate Agency as required under ORS 100.415(13), 100.250(b) and 100.260(2). At any time any Owner or Mortgagee may, at their own expense, cause an audit or inspection to be made of the books and records of the Association.
6.6 Notice of Sale, Mortgage, Rental or Lease.

Immediately upon the closing of any sale, mortgage, rental or lease of any Unit, the Owner shall promptly inform the Secretary or managing agent of the name and address of the purchaser, mortgagee, lessee, or tenant. The foregoing notification requirement is in addition to that set forth in Section 8 of the Declaration regarding notification to the Board of any contemplated sale or lease of a Unit.

6.7 Association Documents.

The Board shall maintain, at the office of the Association, a copy suitable for duplication of the following. The Declaration, the Bylaws, any Rules and Regulations and any amendments thereto, the most recent annual financial statement of the Association, the current operating budget of the association, and any other documents required by the Act to be so maintained. Such documents shall be made reasonably available for inspection and duplication by Owners, Mortgagees, and prospective purchasers of Units upon written request therefrom. All Association documents and records shall be maintained within the State of Oregon at all times.

7. OCCUPATION AND USE

7.1 Generally.

Turnberry Condominium shall be used in a manner appropriate to maintain and preserve its status as a first class residential condominium. The Units shall be used only as single-family residences, on an ownership, rental, or lease basis, and for social, recreational, or other reasonable purposes normally incident to residential use. Units may be used for accessory home businesses subject to Association approval of the business as compatible with the residential character of the Condominium, such approval not to be unreasonably withheld, conditioned or delayed. There shall be no restrictions on the transfer or ownership of Units other than those described in the Subdivision Declaration. Units of the Condominium may be used for the purposes of operating the Association and for management of the Condominium.

7.2 Leasing or Renting of Units.

7.2.1 No Unit may be rented or leased for transient or motel or hotel lodging purposes which is defined as occupancy that has any of the following characteristics: (a) occupancy is charged on a daily, weekly or other less than monthly periodic basis except for Occasional Vacation Rentals permitted hereunder; (b) any service normally offered by hotels or motels, including but not limited to, regular maid and linen service, a front desk located within or without the Condominium, telephone switchboard service or other telephone service which is part of a system serving more than one Unit or is networked with other Units or lodging facilities within or without the Condominium; and (c) occupancy is available through a third party property management agent or other person who is responsible for reservation arrangements and other duties relating to the renting or leasing of a Unit or by any other means that constitutes an invitation to the general public to seek occupancy for lodging that has any characteristics specified in (a) and (b) of this Section.
For purposes of these Bylaws, the term “Leasing” or “Renting” a Unit means the granting of a right to use or occupy a Unit, for a specified term (including any renewal or extension options not to exceed 20 years) or an indefinite term (with rent reserved on a periodic basis), in exchange for the payment of rent (that is, money, property or other goods or services of value), but does not mean or include joint ownership of a Unit by means of joint tenancy, tenancy-in-common or other form of co-ownership.

7.2.2 No Unit may be rented or leased for less than 30 consecutive days except for occasional vacation rentals by an Owner (“Occasional Vacation Rentals”). Nothing in this subsection is intended to prohibit an Owner from occasionally renting such Owner’s Unit provided such rental is not: (a) for transient or motel or hotel lodging in violation of this Section, or (b) part of a continuing pattern of business operation. The Board may, by resolution, adopt reasonable rules to govern Occasional Vacation Rentals.

7.2.3 No Unit may be rented or leased for a term of more than 30 consecutive days if such rental or lease results in more than 30% of the Units, excluding Occasional Vacation Rentals, (“Rental-Lease Ratio”) being occupied by non-Owners. No reduction of the Rental-Lease Ratio may affect any rights of any occupant of a Unit under an existing lease or rental agreement. Except for lease renewal or sublease, an Owner must apply to the Board for permission in accordance with this Section 7 prior to renting or leasing his or her Unit for other than for a permitted Occasional Vacation Rental.

7.2.4 Except as provided in this subsection, no trade, craft, business, profession, commercial or similar activities of any kind may be conducted in any Unit or in any other portion of the Condominium without the written consent of the Board, pursuant to rules and regulations adopted consistent with the provisions of this section. Nothing in this section may be construed so as to prevent or prohibit: (a) subject to this Section 7.3, activities relating to the rental, lease or sale of Units; (b) an Owner from maintaining his or her professional personal library, keeping his or her personal business or professional records or accounts, handling his or her personal business or professional telephone calls, or conferring with business or professional associates, clients, or customers, in such Owner’s Unit; or (c) use of a Unit as a “home office”.

7.2.5 If any tenant or occupant of a Unit violates or permits the violation by his guests and invitees of any provisions hereof or of the Bylaws or of the rules and regulations of the Association, and the Board determines that such violations have been repeated and that a prior notice to cease has been given, the Board may give notice to the tenant or occupant of the Unit to forthwith cease such violations; and if the violation is thereafter repeated, the Board will have the authority, on behalf of and at the expense of the Owner, to evict the tenant or occupant. The Board will have no liability to an Owner or tenant for any eviction made in good faith. The Association will have a lien against the Owner’s Unit for any costs for any costs incurred by it in connection with such eviction, including reasonable attorney’s fees, which may be collected and foreclosed by the Association in the same manner as Assessments are collected and foreclosed under Article 5. As used herein, the term “lease” includes any lease, rental agreement or other occupancy arrangement, however denominated. Other than as stated in this Section, there is no restriction on the right of any Owner to lease or otherwise rent his Unit.
7.2.6 Application for Permission to Lease or Rent Procedure.

7.2.6.1 Except as otherwise expressly provided herein, prior to renting or leasing his or her Unit for other than Occasional Vacation Rental permitted hereunder, an Owner must apply to the Board for permission.

7.2.6.2 Applications for permission to rent or lease for other than Occasional Vacation Rental will be reviewed and approved or denied by the Board as provided in this Section.

7.2.6.3 The Board of Directors will review applications for permission to rent or lease in chronological order based on the date of receipt. Within five business days of receipt, the Board will approve an application unless such approval would cause more Units to be rented or leased than is permitted under the Rental-Lease Ratio; however, the Board may not approve an application if at the time of review of the application the approval would result in permitting the Owner to rent or lease more Units than any other Owner who has submitted an application until the applications of such other Owner has been approved. The Board must notify an Owner within five business days of receipt of an application if permission is not given and the reason for the denial.

7.2.6.4 If an application is denied, the Board must place the Owner on a waiting list according to the date the application was received so that the Owner whose application was earliest received will have first opportunity to rent or lease when the number of Units rented or leased falls below the Rental-Lease Ratio threshold; however, an Owner who is currently renting or leasing a Unit must be placed on the waiting list after Owners who are not currently renting or leasing a Unit and after any Owner who is currently renting or leasing fewer Units than the applicant.

7.2.6.5 Once the Rental-Lease Ratio threshold has been reached, any time the number of Units rented or leased falls below such threshold, the Board will notify the Owner who is first on the waiting list that Owner’s application will be approved unless Owner requests in writing that Owner’s application be withdrawn.

7.2.6.6 All Owners of Units must provide the Board with a Statement of Unit Occupancy Information which must be kept on file with the books and records of the Association so that the Association may determine the percentage of Units rented or leased. The Statement of Unit Occupancy Information must be kept current by the Owner, be on a form prescribed by resolution of the Board, and contain a statement of whether or not the Unit is occupied by the Owner and if not, the following information: (i) the name of the renter, lessee or sublessee; and (ii) the term of the rental, lease or sublease.

7.2.6.7 If an Owner fails to submit the application required under this subsection and rents or leases his or her Unit, or rents or leases his or her Unit after the Board has denied a properly submitted application due to the then current Rental-Lease Ratio, the Board may assess fines against the Owner and the Owner’s Unit after Notice and an Opportunity to Be Heard, and may seek other available legal remedies, including but not limited to, a request to the
appropriate court for mandatory removal of the tenant or lessee from the Unit. All remedies of the Association are cumulative. Any and all costs of such enforcement action, together with attorney fees at trial or on any appeal, may be assessed against the Unit pursuant to Article 5.

7.2.6.8 The Board may adopt rules prescribing the form of the application and waiting list required by this subsection and such other rules as it determines necessary to implement the requirements of this Section.

7.2.7 Rental and Lease Agreements for Other than Occasional Vacation Rental; Compliance with Declaration and Bylaws. Except for Occasional Vacation Rentals permitted hereunder, all agreements for the rental or lease (including sublease) of Units and all Owners, renters, lessees and sublessees of Units must comply with this Section.

7.2.7.1 All rentals and leases, including subleases, of Units must be by written agreement which provides that the terms of the agreement are subject in all respects to the provisions of the Declaration, these Bylaws, rules and regulations adopted by the Association, and the Condominium Act and that any failure by the tenant, lessee or sublessee to comply with the terms of such documents or Condominium Act is a default under the agreement.

7.2.7.2 The Owner must provide the tenant or lessee (including sublessee) of the Unit a copy of this Declaration, the Bylaws, including any relevant amendments to such documents, and all rules and regulations adopted by the Association and in effect during the period of such rental or lease and take a receipt for delivery of such documents.

7.2.7.3 Upon the commencement of the rental or lease period (including any renewal or sublease), the Owner must provide the Association a Statement of Unit Occupancy Information and a copy of the receipt specified in paragraph (b) of this Section. If the Owner fails to provide such receipt, the Association must provide such documents to the tenant, lessee or sublessee. The association must take a receipt therefor, and may charge the copy expenses to the Owner as part of the Owner’s assessments imposed under Article 5.

7.2.7.4 If the Board determines that a tenant, lessee or sublessee of a Unit has violated any provisions of this Declaration, the Bylaws or the rules and regulations of the Association, or the Condominium Act, the Board may require that the Owner terminate such rental or lease agreement, or Owner’s lessee terminate any sublease, in addition to any other remedies available to the Association.

7.2.7.5 An Owner is responsible for paying for any damage to the Common Elements caused by his or her guests, tenants or lessees (including sublessees) and for any fines imposed by the Board for any violations of this Declaration, the Bylaws or the rules and regulations of the Association.

7.3 Sales Facilities of Declarant.

Notwithstanding any provision in Section 7.1, Declarant, its agents, employees, and contractors shall be permitted to maintain, during the period of sale and construction of the Condominium Units, upon such portion of the Condominium as Declarant may own and upon
the Common Elements, such facilities as in the sole opinion of Declarant may be reasonably required, convenient, or incidental to the construction, sale, or rental of Condominium Units and interests, including, but not limited to, a business office, storage area, signs, modeled units, sales office, construction office, and parking areas for all prospective tenants or purchasers of Declarant. The special Declarant rights set forth in the Declaration shall be controlling over any conflicting restrictions in these Bylaws.

7.4 Limited Common Elements.

Limited Common Elements are for the sole and exclusive use of Unit Owners to which the Limited Common Elements are reserved or assigned.

7.5 Effect on Insurance.

Nothing shall be done or kept in or on the Common Elements which will increase the rate of insurance on the Common Elements without the prior written consent of the Board. No Owner or Purchaser shall permit anything to be done or kept in or on the Common Elements which will result in the cancellation of insurance on the Common Elements or which would be in violation of the law.

7.6 Offensive Activity.

No noxious or offensive activity shall be carried on in any Unit or Common Elements, nor shall anything be done therein which may be or become an annoyance or nuisance to other owners. Watercraft, trailers and recreational vehicles may be parked on General Common Elements only while being prepared for travel, limited to 48 hours prior to leaving and 48 hours after return to Turnberry Condominium. Subject to the preceding sentence, parking of boats, watercraft, trailers, recreational vehicles, trucks, campers, motorcycles, similar equipment and anything being in excess of three-quarters of a ton in weight shall not be allowed on Common Elements, but may be parked inside of the garage portion of a Unit. No parking of any kind is allowed on the asphalt drive lane but parking is permitted on the concrete driveway subject to the foregoing limitations.

7.7 Pets.

Domesticated animals, birds, fish and reptiles (herein referred to as “pets”) may be kept in the Units subject to rules and regulations adopted by the Board. Dogs will not be allowed on the Common Elements unless they are being carried or are held on a leash. The Board may at any time require the removal of any pet which if reasonably determines is dangerous, unreasonably disturbing other Owners, repeatedly soiling or causing damage to the Common Elements, or not being kept in accordance with rules and regulations adopted by the Board. The Board may exercise this authority with respect to specific pets on a case by case basis. Each Owner shall be responsible for any damage to the Common Elements caused by a pet kept in his or her Unit to the extent not covered by property insurance maintained by the Association.

7.8 Signs.
No sign of any kind shall be displayed to the public on or from any Unit, Limited Common Element or General Common Element without the prior written consent of the Board. This Section shall not apply to the Declarant who may post such signs on the Property as it deems necessary or appropriate for the sale of Units in the Condominium as long as the Declarant has a Unit for sale.

7.9 **Common Element Alterations.**

Nothing shall be altered or constructed in or removed from the Common Elements or facilities except upon the written consent of the Board and after any procedures required under these Bylaws or by law.

7.10 **Association Rules and Regulations.**

The Board is empowered to pass, amend or revoke detailed administrative Rules and Regulations necessary or convenient from time to time to insure compliance with the general guidelines of this Section and the other provisions of these Bylaws. Such Rules and Regulations shall be binding upon all Owners upon adoption by the Board. In the event of any conflict with these Bylaws or the Declaration, the Rules and Regulations shall be controlled thereby. Rules and Regulations shall not be effective until provided to the Owners in writing and may be revoked by a majority vote of the Owners at an Owners’ meeting.

**8. MAINTENANCE OF CONDOMINIUM PROPERTY AND RELATED MATTERS**

8.1 **Maintenance and Repair.**

Except as otherwise provided herein for damage or destruction caused by casualty.

8.1.1 **Units and Limited Common Elements.**

All maintenance of, and repairs to, any Unit and its Limited Common Elements shall be made by and at the sole expense of the Owner of such Unit, who shall keep the same in good order, condition and repair, except for repair and replacement of the roofs and party walls, which shall be specially assessed against the affected Owner(s).

8.1.2 **General Common Elements.**

All maintenance, repairs and replacements to the General Common Elements shall be made by the Association and shall be charged to all the Owners as a common expense, provided, that if such has been necessitated by acts or omissions of an Owner by reason of which the Owner is legally responsible for all or a portion of the costs thereof, such shall be charged solely to the Owner so responsible. Should actual collection of such from the responsible Owner within a reasonable period of time prove impossible after reasonable collection efforts, however, the uncollected portion may be charged to all Owners as a common expense, subject to reimbursement of any amounts later collected from the responsible Owner.
8.2 **Additions, Alterations or Improvements.**

No Owner shall make any exterior alterations to the Owner's Unit, or make any change to an installation upon the Common Elements, or decorate, alter or repair any part of the Common Elements except for maintenance of those parts of the Common Elements which the Owner has the duty to maintain, without the prior consent in writing of the Subdivision Association Architectural Review Committee as required by the Subdivision Declaration and Bylaws.

8.3 **Damage or Destruction by Casualty.** In the event of any damage or destruction to Limited Common Elements and Units, the Owners of the damaged Units shall bear the sole risk of loss and the cost of repairing any such damage and restoring their Units to the extent the loss is not insured. The Association shall be responsible for repairing and restoring any damage or destruction to the General Common Elements.

8.4 **Condemnation.**

8.4.1 **Consequences of Condemnation.**

If, at any time or times during the continuance of the condominium form of ownership pursuant to the Declaration, all or any part of the Condominium is taken by eminent domain or condemned by any public authority or sold or otherwise disposed of in lieu of or in anticipation thereof, all of which is hereinafter call “Condemnation”, each Unit Owner shall be deemed to exclusively own the Limited Common Elements associated with their Unit such that they would be entitled to the Condemnation compensation and subject to the risk of loss from any such Condemnation. The Association shall have the sole authority to represent the Owners in any Condemnation proceedings or negotiations, settlements and agreements with the condemning authority as the attorney-in-fact of all the Owners and pursuant to such authority may accept any release and discharge of liability made by the Board on behalf of the Owners, but only with respect only to the General Common Elements of the Condominium. The Board’s authority to act as attorney-in-fact of the Owners for such purpose is coupled with an interest and is irrevocable. The Board shall provide each Owner and each Mortgagee with a written notice of the commencement of any such Condemnation proceeding regarding the General Common Elements and of any proposed sale or disposition in lieu or in advance of such proceeding. All compensation, damages respecting the General Common Elements, or other proceeds therefrom, the sum of which is hereinafter called the “Condemnation Award”, shall be payable to the Association. The net Condemnation Award, after the Association is reimbursed for all costs of representing the Owners, shall be apportioned among the Owners in an equitable manner.

9. **INSURANCE**

9.1 **Association Insurance Coverage.**

The Board shall obtain and maintain at all times as a common expense the insurance required by the Condominium Act. The Board must at all times maintain (a) commercial general liability insurance insuring the Association, Unit Owners, Board, Declarant, and managing agent against liability to the public or to individual Unit Owners. Such insurance shall include liability
for water damage, liability for property of others, contractual liability, and non-owned automobile liability (and if applicable, owned automobile liability, elevator collision and garage keepers' liability). Such insurance shall not exclude liability resulting from the existence of methane gas. The liability under which insurance shall be determined by the Board after consultation with insurance consultants, but not less than One Million Dollars ($1,000,000) covering all claims for personal injury and/or property damage arising out of a single occurrence (such policy limits to be reviewed at least annually by the Board and increased in its discretion); and (b) such other insurance as the Board deems advisable.

9.2 **Owner's Insurance Coverage.**

Each Owner at their own expense shall be responsible for their own personal property and liability insurance covering their Unit and their associated Limited Common Elements. Each Owner is hereby required to file a copy of such individual policy or policies with the Board within thirty (30) days after purchase of such insurance, and the Board shall immediately review its effect with the Board’s insurance broker, agent, or carrier.

10. **AMENDMENTS TO BYLAWS**

10.1 **How Proposed.**

Amendments to the Bylaws shall be proposed by either a majority of the Board or by the Owners holding at least twenty-five percent (25%) of the votes in the Association. The proposed amendment must be in writing and shall be included in the notice of any meeting at which action is to be taken thereon.

10.2 **Adoption.**

A resolution adopting a proposed amendment may be proposed by either the Board or Owners and may be approved by the Owners at a meeting called for this purpose. Owners not present at the meeting considering such amendment may express their approval in writing or by proxy delivered to the Board at or prior to such a meeting. Subject to the provisions of the Declaration and these Bylaws otherwise, any resolution shall be approved by Owners holding at least fifty-one percent (51%) of the votes of the Units, except for amendments changing voting requirements and age, occupancy, or rental and leasing restrictions which shall require approval by Owners holding at least seventy-five percent (75%) of the votes in the Association. In any event, no amendment shall be effective to impair, reduce or terminate any special Declarant rights provided in these Bylaws or the Declaration without the consent of the Declarant so long as the Declarant has the right under the Declaration to create additional Units or is the Owner of an unsold Unit.

10.3 **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, approved by the Oregon Real Estate Commissioner if required by law, and recorded as required by law.
11. ARBITRATION

Every Owner and the Association has the right to enforce the provisions of the Declaration, these Bylaws and any Rules and Regulations by submitting disputes to non-binding mediation, and if the mediation is unsuccessful, to final and binding arbitration in accordance with the Declaration. Neither the Owner nor the Association may commence litigation or an administrative proceeding that would result in an adversarial relationship with the other without first complying with any requirements of the Act to offer to submit the matter to an alternative dispute resolution process.

12. MISCELLANEOUS

12.1 Notices.

All notices to the Association or Board 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 may hereafter designate from time to time by written notice thereof to each Owner. All notices to any Owner shall be sent to such address as may have been designated by that Owner from time to time, in writing, to the Board, or if no address has been designated, then to the Owner’s Unit.

12.2 Waiver.

No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

12.3 Invalidity; Number; Captions.

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

12.4 Action Without a Meeting.

Any action which the Act, Declaration or Bylaws require or permit the Owners or Board to take at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all Owners or directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the Owners or Board, shall be filed in the Association minutes.
12.5 **Conflicts.**

These Bylaws are intended to comply with the Act and the Declaration. In case of any irreconcilable conflict, such Act and Declaration shall control over these Bylaws, any amendments hereto or any Rules and Regulations adopted hereunder.

12.6 **Rules or Order.**

Robert’s Rules of Order (latest edition) shall govern the conduct of Association and Board proceedings when not in conflict with the Declaration, the Articles, these Bylaws or Oregon law. A decision of the Association or its Board may not be challenged because the appropriate rules of order were not used unless a person entitled to be heard was denied the right to be heard and raised an objection at the meeting in which the right to be heard was denied. A decision of the Association or its Board is deemed valid without regard to procedural errors related to the rules of order one year after the decision is made unless the error appears on the face of a written instrument memorializing the decision.

12.7 **Liability Survives Termination.**

The sale or other disposition of a Unit, shall not relieve or release any former Owner from any liability or obligation incurred or in any way connected to said ownership, nor shall such termination impair any rights or remedies which the Association may have against such former Owner arising out of or in any way connected with such ownership and the covenants and obligations incident thereto.

12.8 **Indexing:** Whenever any dollar amount is specified in these Bylaws, such amount will be automatically adjusted each January 1st for that calendar year based upon any changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. City Average for All Items, as published by the U.S. Bureau of Labor Statistics, U.S. Department of Labor, or if such index is discontinued, a comparable index selected by the Board, using the index for July, 2000 as the base year.

DATED this [ ] day of [ ], 2003, being hereby adopted by the undersigned Declarant on behalf of the Association.

DECLARANT:

Michelbook-5, LLC, an Oregon limited liability company

By: [Signature]

Its: [Title]
STATE OF OREGON )
 ) ss
County of MULTNOMAH )

The foregoing instrument was acknowledged before me this 16th day of June 2003, by STEVEN DALTON, as MANAGER of Michelbook-5, LLC, an Oregon limited liability company.

DATED this 16th day of June, 2003.

T.G. MOELLER
NOTARY PUBLIC FOR OREGON
My Commission Expires: January 6, 2007
EXHIBIT B
SCHEDULE OF INTERESTS

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<td>1,992</td>
</tr>
<tr>
<td>02B0197</td>
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<td>18</td>
<td>B - 2 story</td>
<td>8.3</td>
<td>1,992</td>
</tr>
<tr>
<td>02B0186</td>
<td>1318 NW Oakmont Ct</td>
<td>19</td>
<td>A - 1 story</td>
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<tr>
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<td>22</td>
<td>A - 1 story</td>
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</tbody>
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SUPPLEMENTAL DECLARATION OF CONDOMINIUM OWNERSHIP
OF TURNBERRY CONDOMINIUM
(FIRST RECLASSIFICATION OF VARIABLE PROPERTY)
MADE PURSUANT TO THE OREGON CONDOMINIUM ACT

THIS SUPPLEMENTAL DECLARATION, to be effective upon its recording in Yamhill County, Oregon, pursuant to the provisions of the Oregon Condominium Act, is made and executed this 30 day of August, 2004, by Michelbook-5, LLC, an Oregon limited liability company (hereinafter “Declarant”).

By document dated June 16, 2003, entitled “DECLARATION of CONDOMINIUM OWNERSHIP for TURNBERRY CONDOMINIUM” Declarant created a condominium known as Turnberry Condominium, which is located in the Michelbook Subdivision in McMinnville, Oregon. The purpose of this Supplemental Declaration is to convert certain variable property of the Condominium as described in the Declaration of Condominium Ownership for Turnberry Condominium to Units and Common Elements in the manner provided by the Oregon Condominium Act.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions. As used in this Supplemental Declaration, unless the context otherwise requires, the following definitions shall prevail:

1.1.1 “Declaration” means that instrument dated June 16, 2003 and recorded June 27, 2003 at Recording No. 200315321 in the real estate records of Yamhill County, Oregon.

1.1.2 “Supplemental Plat” means the Supplemental Plat No. 1: Reclassification of Variable Property of the Condominium which is being recorded in the records of Yamhill County, Oregon, concurrently with this Supplemental Declaration and any revisions of such Supplemental Plat subsequently recorded.

1.2 Incorporation by Reference. Except as otherwise provided in this Supplemental Declaration, each of the terms herein shall have the same meaning as defined in the Original Declaration.

2. PROPERTY SUBMITTED

This Supplemental Declaration shall constitute an amendment to the Declaration for the purposes of reclassifying the variable tract into Units and Common Elements, as described in Sections 4 and 5 below and as shown on the Supplemental Plat.

3. ADOPTION BY REFERENCE

Except as otherwise expressly provided in this Supplemental Declaration, each of the provisions of the original Declaration and the Bylaws of Turnberry Condominium Association shall apply to the Units and Common Elements created by this Supplemental Declaration the same as the original Units and Common Elements.
4. UNITS

4.1. Generally. The variable tract described in section 3.3 of the Declaration is hereby reclassified as shown on the Supplemental Plat to create ten (10) additional Units, designated as Units 1 through 10. The address, designation (Unit number), unit type (one story or two story) and area in square feet of each additional Unit are shown on Exhibit A attached hereto. The use of the new Units shall be the same as provided in the Declaration for the original Units.

4.2 Allocation of Undivided Interest in Common Elements.

The allocated interests of the original twelve (12) Units in the Condominium shall be adjusted as a result of the reclassification of the variable property. The allocated interests of all twenty-two (22) Units shall be as set forth on Exhibit A. The Units that have a higher percentage interest have certain unique physical conditions such as corner locations, views, deck materials and the like that were the basis for the percentage interest and such percentage variation was not arbitrarily determined by the Declarant. Size of the Unit was intentionally not the basis for each Unit Owner's percentage interest in the Common Elements.

5. COMMON ELEMENTS

The Common Elements for the new Units created by this Supplemental Declaration shall be as described in the Declaration for the original Units and as shown on the Supplemental Plat.

6. ALLOCATION OF INCOME AND EXPENSES

The common income, if any, derived from and the common expenses of the Common Elements and any other common expenses must be allocated between all Condominium Units and charged to the Owner of each Unit according to each Owner's percentage interest in the Common Elements as shown on Exhibit A.

7. VOTES

Each Owner is entitled to one (1) vote for each Unit owned. In the event of co-owners there will be only one vote for the Unit.

8. SUPPLEMENTAL PLAT CONTROLLING

In the event of any conflict between the Supplemental Plat and this Supplemental Declaration, the latter shall be controlling.

IN WITNESS WHEREOF, Declarant has caused this Supplemental Declaration to be executed this 30 day of August, 2004.

Michelbook-5, LLC,
an Oregon limited liability company

By: [Signature]

Name: STEVEN D. DAVID

Its: MEMBER

2 – TURNBERRY CONDOMINIUM SUPPLEMENTAL DECLARATION
PDX 1144186v4 61320-1
STATE OF OREGON

County of Washington

ss.

The foregoing instrument was acknowledged before me this 30th day of August, 2004, by Steven B. Dalton as the member of Michelbook-5, LLC, an Oregon limited liability company.

Jennifer M. Leo
NOTARY PUBLIC FOR OREGON
My Commission Expires: 2/11/2008

The foregoing Supplemental Declaration is approved pursuant to ORS 100.110 this 8th day of September, 2004, and in accordance with ORS 100.110(7), this approval shall automatically expire if this Supplemental Declaration is not recorded with two (2) years from this date.

By: [Signature]
Oregon Real Estate Commissioner

The foregoing Supplemental Declaration is approved this __ day of August, 2004.

ASSESSOR AND TAX COLLECTOR
FOR LINCOLN COUNTY

By: [Signature] 9/17/04
Assessor

By: [Signature] 9/17/04
Tax Collector
## EXHIBIT A

**SCHEDULE OF INTERESTS**

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<th>Bldg Permit #</th>
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<th>Unit #</th>
<th>Unit Type</th>
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<td>A- 1 story</td>
<td>4.56</td>
<td>1,409</td>
</tr>
</tbody>
</table>
FIRST AMENDMENT TO BYLAWS OF TURNBERRY CONDOMINIUM ASSOCIATION

The Bylaws of the Turnberry Condominium Association, recorded June 27, 2003, Official Yamhill County Records, fee number 2003-15321, are hereby amended pursuant to the provisions of the Oregon Condominium Act as follows:

Section 7 (OCCUPATION AND USE) is amended as follows:

Section 7.1 and 7.2 are deleted in their entirety and replaced with the following:

7.1 Generally.

Turnberry Condominium shall be used in a manner appropriate to maintain and preserve its status as a first class residential condominium. The Units shall be used only as single-family residences and for social, recreational, or other reasonable purposes normally incident to residential use. Units may be used for accessory home businesses subject to Association approval of the business as compatible with the residential character of the Condominium, such approval to not be unreasonably withheld, conditioned or delayed. There shall be no restrictions on the transfer or ownership of Units other than those described in the Subdivision Declaration. Units of the Condominium may also be used for the purposes of operating the Association and for management of the Condominium.

7.2 Leasing or Renting of Units

7.2.1 Except as provided in section 7.2.6 below no Unit may be rented or leased without the prior written approval of the Board, which will be granted only for demonstrated hardship of a temporary nature. A “hardship” may include a financial, medical, family or professional condition.
7.2.2 Except as provided in this subsection, no trade, craft, business, profession, commercial or similar activities of any kind may be conducted in any Unit or in any other portion of the Condominium without the written consent of the Board, pursuant to rules and regulations adopted consistent with the provisions of this section. Nothing in this section may be construed to prohibit an Owner from maintaining his or her professional personal library, keeping his or her personal business or professional records or accounts, handling his or her personal business or professional telephone calls, or conferring with business or professional associates, clients, or customers, in such Owner’s Unit or “home office”.

7.2.3 If any tenant or occupant of a Unit violates or permits the violation by his guests and invitees of any provisions hereof or of the Declaration, Bylaws or rules and regulations of the Association, and the Board determines that such violations have been repeated and that a prior notice to cease has been given, the Board may give notice to the tenant or occupant of the Unit to forthwith cease such violations; and if the violation is thereafter repeated, the Board will have the authority, on behalf of and at the expense of the Owner, to evict the tenant or occupant. The Board will have no liability to an Owner or tenant for any eviction made in good faith. The Association will have a lien against the Owner’s Unit for any costs incurred by it in connection with such eviction, including reasonable attorney’s fees, which may be collected and foreclosed by the Association in the same manner as Assessments are collected and foreclosed under Article 5. As used herein, the term “lease” includes any lease, rental agreement or other occupancy arrangement, however denominated.

7.2.4 The Board shall establish rules governing the process by which Owners may apply for permission to lease or rent their Units for demonstrated hardship. The Board may impose reasonable conditions on such approvals.

7.2.5 An Owner is responsible for any damage to the Common Elements caused by his or her guests or tenants and for payment of any fines imposed by the Board for their guests'
or tenants' violations of this Declaration, the Bylaws or the rules and regulations of the Association.

7.2.6 Any Unit which had a rental or lease agreement in force on January 1, 2007, is exempt from the rental prohibition stated in section 7.2.1 above until ownership of the Unit changes or the owner himself or herself occupies the Unit.

Section 8 (MAINTENANCE OF CONDOMINIUM PROPERTY AND RELATED MATTERS) is amended as foll. vs:

Section 8.1.1 is deleted in its entirety and replaced with the following:

8.1.1 Units and Limited Common Elements.

Except as provided in this subsection each Owner shall keep the Owner's Unit and its Limited Common Elements in good order, condition and repair. All maintenance of, and repairs to, any Unit and its Limited Common Elements shall be made by and at the sole expense of the Owner of such Unit, who, except for:

8.1.1.1 repair and replacement of party walls, which shall be specially assessed against the affected Owners; and

8.1.1.2 exterior painting, including front doors, and repair and replacement of the roofs and gutters shall be performed and paid for by the Association.

IN WITNESS WHEREOF the undersigned declare and certify that the foregoing First Amendment to Bylaws has been approved by Owners holding at least 75% of the votes of the Turnberry Condominium Association in accordance with its Bylaws and the provisions of ORS 100.410.

Trent Cave, President, Turnberry Condominium Association

Jill J. Steadman, Secretary, Turnberry Condominium Association
STATE OF OREGON   
County of ________  

The foregoing instrument was acknowledged before me this ______ day of September, 2007, by ________, President, Turnberry Condominium Association.

__________________________
Linda Schwichtenberg  
Notary Public for Oregon  
My Commission Expires: 4/1/2011

STATE OF OREGON   
County of ________  

The foregoing instrument was acknowledged before me this ______ day of September, 2007, by ________, Secretary, Turnberry Condominium Association

__________________________
Linda Schwichtenberg  
Notary Public for Oregon  
My Commission Expires: 4/1/2011

The foregoing First Amendment to the Bylaws of the Turnberry Condominium Association is approved pursuant to ORS 100.410 this ______ day of September, 2007.

__________________________
Oregon Real Estate Commissioner

Page 4 of 4 – FIRST AMENDMENT TO BYLAWS
C:\GWB\Word Docs\HOA Files\Turnberry\Bylaw Amendment\Bylaws Amendment - Amended 8-28-07.doc9/4/2007
TURNBERRY CONDOMINIUM
A Replot of "Lot 22, MICHELBOOK FIFTH ADDITION"
Located in the Southwest Quarter of the Southwest Quarter
Section 17, Township 4 South, Range 4 West of the W.M.
City of McMinnville, Yamhill County, Oregon
28 April 2003

I hereby certify that this tracing is an exact copy of the original plat of "TURNBERRY CONDOMINIUM".

Leonard A. Speckel
Chief Surveyor

Sheet 1 of 5
TURNBERRY CONDOMINIUM SUPPLEMENTAL PLAT NO. 1

Reclassification of Nonwaterable Variable Property Tract of "TURNBERRY CONDOMINIUM"
Located in a Portion of Lot 22, of "MICHELBOOK FIFTH ADDITION"
Southwest Quarter of the Southwest Quarter of Section 17
Township 4 South, Range 4 West of the Willamette Meridian
City of McMinville, Yamhill County, Oregon
28 May 2004

NOTES:

1. All general common elements and limited common elements shall be subject
   over their entirety to a utility easement for public and private utilities
   including, but not limited to, water, sanitary sewer, storm drainage,
   electrical power, telephone, natural gas, television cable, irrigation,
   security and communication systems.

2. McMinville Water and Light shall have the right of undisturbed ingress
   and egress to and from water and electrical utilities located in the
   general and limited common areas (including the right to cut, trim
   and remove trees, bushes, brush, overhanging branches and other obstructions)
   necessary for McMinville Water and Light's use, operation and maintenance
   of the utilities located in the general and limited common areas. No
   structures, except for the existing concrete piers for Units 1, 2, 3 and
   4, shall be located in the general or limited common areas
   without the consent of McMinville Water and Light.

3. Easements based on City of McMinville Director's Decision on the top of Corner No.
   1, a 3/4-inch iron rod in a monument box. Elevation 147.805 feet as run
   to the site by Sigma Engineering from the top of a monument in a monument
   box at the intersection of N.W. Wallace Road and N.W. Cypress Street
   with an elevation of 154.92 feet.

4. This condominium is subject to a water line easement created by Instrument
   recorded in Land Volume 172, Page 277, Yamhill County Deed Records.

5. This condominium is subject to Easements, easements and restrictions
   imposed by Instrument No. 2001010954 as amended by Instrument No.
   2003010302, Yamhill County Deed Records.

6. This condominium is subject to a water easement created by Instrument No.
   2003010208, Yamhill County Deed Records.

I hereby certify that this tracing is an
exact copy of the original plat of
"TURNBERRY CONDOMINIUM SUPPLEMENTAL
PLAT NO. 1."

[Signature]
LEONARD A. RYDELL
April 11, 1997

DECLARATION:

KNOWN ALL MEN BY THESE PRESENTS that Michelbook-5 L. L. C., an Oregon Limited
Liability Company, Steven D. Dalton, Manager, being the owner of the land
represented on the attached map and more particularly described in the Surveyor's
Certificate herein made, do hereby declare the Nonwaterable Variable
Property Tract into Units and Common Elements as shown on this Supplemental Plat
No. 1. The "TURNBERRY CONDOMINIUM" now exists as described and depicted on this
Supplemental Plat No. 1. The property and improvements described and depicted
on the plat are subject to the provisions of O.R.S. 92.095 to 92.099 and the
"Declaration of Condominium Ownership for Turnberry Condominium" recorded
as Instrument No. 200310344 and "The Bylaws of Turnberry Condominium Association"
recorded as Instrument No. 200310344.

IN WITNESS WHEREOF, we have set our hands:

[Signature]
Steven D. Dalton, Manager

Acknowledgment:

State of Oregon
County of Yamhill

On this day personally appeared before me Steven D. Dalton, who is the only
owner of the property described above, and who, together with the undersigned,
acknowledged the Declaration to be his voluntary act and deed.

IN WITNESS WHEREOF I have set my hand this 30th day of August, 2004.

[Signature]
J. Jon E. Neff
Yamhill County Tax Collector

CONSENT AFFIDAVIT:

A Subdivision Plat Consent Affidavit from Sterling Savings Bank, has been recorded by
Instrument No. 200401002, Yamhill County Deed Records.

CITY OF McMINTIVILLE APPROVALS:

City of McMinville Planning Director
[Signature]
3/3/04

City of McMinville Community Development Director
[Signature]
9/10/04

YAMHILL COUNTY APPROVALS:

Yamhill County Assessor
[Signature]
[Date]

Yamhill County Tax Collector
[Signature]
[Date]

OFFICIAL YAMHILL COUNTY RECORDS
For information call: (503) 436-4100

Page 5 of 5