



**AMENDED BYLAWS
OF
COUNTRY GREEN ASSOCIATION, INC.**

**ARTICLE 1
PLAN OF LOT OWNERSHIP; DEFINITIONS**

1.1 Bylaws Applicability. These Amended Bylaws (herein called "Bylaws") apply to the Lots and the Common Area in Country Green Subdivision, a planned community in Klamath County, Oregon, that has been subjected to the Declaration of Conditions, Covenants, and Restrictions of the Henley Land Company, Inc. (the "Declaration"), as well as to the Country Green Association, Inc., a non-profit corporation (the "Association"), and the entire management structure thereof.

1.2 Lots; Property. The Lots and the Common Area may be collectively referred to in these Bylaws as the "Property" or "Properties" and the Lots individually as a "Lot" or collectively as the "Lots." The entire Property contained in the subdivision is described as follows:

A tract of land situated in the NE1/4 of Section 13, T. 39 S., R. 9 E., W.M., Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the south right-of-way line of Keller Road, said point being S 88°27'48" E a distance of 993.70 feet from the north one quarter corner of said Section 13; thence S 89°22'32" E. along the south right-of-way line of said Keller Road 1096.11 feet; thence S 00°37'28" W. 59.58 feet to the beginning of a curve to the right (central angle = 44°00'59", radius = 130.00 feet); thence southwesterly along the arc of said curve 99.87 feet; thence S. 44°38'27" W. 59.83 feet; thence 45°21'33" E. 90.56 feet; thence South 157.81 feet; thence S. 80°31'20" W. 184.49 feet to a point on a curve to the left (central angle = 15°10'46", radius = 280.00 feet); thence southwesterly along the arc of said curve 74.18 feet; thence N. 45°21'33" W 20.00 feet; thence S. 44°38'27" W. 276.89 feet to the beginning of a curve to the right (central angle = 21°57'17", radius = 230.00 feet); thence southwesterly along the arc of said curve 88.13 feet; thence S. 66°35'44" W. 77.54 feet; thence N. 23°24'16" W. 60.00 feet; thence N. 63°42'42" W. 19.53 feet to the beginning of a curve to the right (central angle = 24°11'35", radius = 249.23 feet); thence northwesterly along the arc of said curve 105.24 feet; thence N. 39°31'07" W. 254.42 feet to the beginning of a curve to the right (central angle = 10°11'56", radius = 1494.90 feet); thence northwesterly

along the arc of said curve 266.10 feet; thence N. 29°19'11" W. 133.66 feet to the point of beginning, containing 10.68 acres, more or less.

and

A Tract of land situated in the NW1/4NE1/4 of Section 13, T.39 S., R. 9 E., W.M., Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the South right-of-way line of Keller Road, said point being S. 88°27'48" E. a distance of 993.70 feet from the North one-quarter corner of said Section 13; thence N. 89°22'32" W. along the southerly right-of-way of Keller Road 993.51 feet to the West line of the NE1/4 of said section 13; thence S. 00°23'49" W. along said West line 262.01 feet; thence South 89°22'32" E. 1118.02 feet to a point on the westerly right-of-way line of the existing Enterprise Irrigation Lateral; thence N. 54°48'25" E. 30.00 feet to a point on the Easterly right-of-way line of said irrigation lateral; said point being on a curve (radius point bears N. 54°48'25" E. 1494.90 feet); thence along the arc of said curve to the right (central angle = 05°52'24," radius = 1494.90 feet) 153.24 feet; thence N. 29°19'11" W. 133.66 feet to the point of beginning, containing 6.43 acres, more or less.

and

Lots 6, 7, 8 and 9, Block 2, First Addition to Country Green.

1.3 Additions of Properties and Membership. The original Declaration of Covenants, Conditions, and Restrictions for Country Green, Tract 1085, a Subdivision within Klamath County, Oregon, and these Declarations to it prohibit the addition of prohibit the addition of property to Country Green.

1.4 Dedication of Properties or Transfer of Functions to Public Agency or Entity. The Association shall have power to dispose of its real properties only as authorized under the recorded covenants and restrictions applicable to said properties.

1.5 Personal Application. All present or future owners, tenants, occupants, and their employees, and any other person that might occupy any portion of the Property in any manner, shall be subject to the provisions set forth in these Bylaws. The acquisition, rental, or occupancy of any of the Lots shall constitute acceptance and ratification of these Bylaws and agreement to comply with all the provisions hereof.

1.6 Common Properties. "Common Properties" shall mean and refer to common areas, streets, footways, lawn equipment storage unit, including personal property incident

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thereto, and any other properties owned and maintained by the Association, including a RV storage area for the common benefit and enjoyment of the residents within the Properties.

1.7 Definitions. Capitalized terms used but not defined herein shall have meanings attributed to them in Article 1 of the Declaration.

1.8 Oregon Planned Community Act. The Property, all Lots and Owners thereof, the Association and all Members thereof, shall be subject to the Oregon Planned Community Act, *ORS 94.550 et seq.* (the PCA).

ARTICLE 2

ASSOCIATION MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

2.1 Association Responsibilities. The Owners shall constitute the Members of the Association. Except as otherwise provided in the Declaration or these Bylaws, decisions and resolutions of the Association shall require approval by a majority of the Owners present at any legal meeting. A legal meeting is one duly called pursuant to these Bylaws at which a quorum is present, in person or by proxy at a formal gathering or, if a vote is taken by written ballots, when ballots are returned representing more than 50% of the vote, unless a larger vote is required to approve a ballot item, in which case the quorum requirements shall be the number of votes required to approve the proposal.

2.2 Association Purposes and Powers. The Association has been organized to promote the health, safety and welfare of the residents within the boundaries of Country Green, a Subdivision situated in Klamath County, Oregon, and for this purpose to:

- (a) Own, and maintain streets, parking areas, footpaths, buildings, structures and personal property incident thereto, hereinafter referred to as "The Common Properties and Facilities";
- (b) Maintain unkempt lots or trees;
- (c) Fix assessments or charges to be levied against The Properties;
- (d) Enforce any and all covenants, restrictions and agreements applicable to The Properties;
- (e) Pay taxes, if any, on the Association owned Properties and Facilities;
- (f) Do any other thing that in the opinion of the Board of Directors is permitted by law and will promote the common benefit and enjoyment of the residents of The Properties.

2.3 Membership in the Association. Upon recordation of a conveyance or contract to convey a Lot, the grantee or purchaser named in such conveyance or contract shall automatically be and shall remain a Member of the Association until such time as such person's ownership ceases for any reason. For all purposes of the Declaration and the administration of the

Property, Lot ownership shall be determined from the records maintained by the Association. The record shall be established by the Owner filing with the Association a copy of the deed to or land sale contract for such Owner's Lot, to which shall be affixed the certificate of the recording officer of Klamath County, Oregon, showing the date and place of recording of such deed or contract. No person shall be recognized as an Owner unless a copy of the deed or contract has been filed with the Association as provided above showing such Owner to be the current Owner or contract purchaser of a Lot. PROVIDED, that any such person or entity who holds an interest merely as a security for the performance of an obligation shall not be a Member.

2.4 Voting Rights. The Association shall have one class of voting Members:

2.4.1 Voting Members. Members shall be all Owners of Lots, and each Member shall be entitled to one vote for each Lot owned with respect to all matters on which Owners are entitled to vote. When more than one person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but in no event shall fractional voting be allowed. Fractionalized or split votes shall be disregarded, except for purposes of determining a quorum.

2.5 Majority of Owners. As used in these Bylaws, the term *majority* shall mean those Owners holding over 50% of the voting rights allocated to the Owners in accordance with Section 2.1 above. *Majority of Owners present* shall mean Owners holding over 50% of the votes present at any legal meeting.

2.6 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Owners holding 50% or more of the outstanding votes in the Association, as defined in Sections 2.1 and 2.4.1 of this Article, shall constitute a quorum.

2.7 Voting; Proxies. Owners may cast votes in person, by written ballot, or by proxy. Proxies must in written form and be filed with the Secretary of the Association ("Secretary") before or during the appointed meeting. A proxy shall expire one year after the date it was signed unless a shorter period is specified in the proxy. Every proxy shall automatically terminate upon sale or transfer of title of his or her Lot by Member. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. Unless withdrawn, a proxy given to another person to vote at a specific meeting shall also be valid at an adjourned meeting called under the provisions of Section 3.6. The Association must retain proxies and ballots for one year from the date of the determination of the vote.

2.8 Authority to Vote. All qualified Owners who are current in the payment of all annual and special assessments for each of their Lots, including those who have leased their Lot to a third party, shall be entitled to vote. A purchaser under a land sale contract entitled to immediate possession of the Lot shall be deemed the Owner thereof, unless otherwise provided in such contract.

2.9 Fiduciaries and Joint Owners. An executor, administrator, guardian, or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any Lot owned or held by the entity they represent, whether or not the same shall have been transferred to such person's name, provided that such person has satisfied the Secretary that such person is the executor, administrator, guardian, or trustee holding such Lot in such capacity and that all assessments are paid in full. Whenever any Lot is owned by two or more persons jointly according to the records of the Association, the vote of such Lot may be exercised by any one of the Owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of such Lot shall be disregarded for all purposes, except for determining whether a quorum is present.

2.10 Regular Annual Member Meetings. The Regular Annual Meeting of the Members shall be held during the month of September in each year, at the time set by the Board of Directors in its Notice of Meeting sent pursuant to section 2.12. At such meetings, the Owners shall elect new Members of the Board in accordance with the requirements of Article 3.1 of these Bylaws to replace those Directors whose terms have expired or is or will soon become vacant. The Owners also may transact such other business of the Association as may properly come before them. Annual meetings of the Association may not be conducted by written ballot.

2.11 Special Member Meetings. Special Meetings of the Members for any purpose may be called at any time by the President, Vice-President, the Secretary or Treasurer, by a majority of the Board of Directors or by a petition presented to an Officer or to the Board of Directors signed by 25% of the voting Members or of any two or more members who have a right to vote one-fourth of all the votes of the membership. All meetings called because of petition of Owners shall be held at a formal gathering, and not by written ballot, within 60 days after the Secretary's receipt of the petition. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business other than that stated in such notice shall be transacted at a Special Meeting unless by consent of all the Owners of the Lots or as otherwise set out in these Bylaws.

2.12 Notice of Meetings. The Secretary shall mail with postage thereon prepaid, or personally deliver a notice of each annual and special meeting, stating the nature of the business to be transacted and the time and place where such meeting is to be held, to each Owner of record not less than six (6) days before such meeting or the date on which ballots for a ballot meeting are required to be returned. The Board of Directors may propose that the Owners take an action by written ballot without a meeting, pursuant to the provisions of the PCA and the Oregon Nonprofit Corporation Act. Such notices shall be mailed to the Owner's address last given to the Secretary in writing by the Owner or such Owner's vendee. If Lot ownership is split or the Lot has been sold on a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. The mailing of a notice in the manner provided in this Section 2.12 shall be considered notice served.

2.13 Place of Meetings. Formal meetings of the Association shall be held at suitable places convenient to the Owners as may be designated by the Board of Directors of the Association (the "Board"). If a vote is taken by written ballot, the Board shall count the returned written ballots within 48 hours of the ballot return deadline. Each Owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned within 15 days after the ballot return deadline.

2.14 Adjourned Meetings. As permitted by *ORS 65.214*, if any gathering of Owners is not a legal meeting because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty eight (48) hours nor more than ten (10) days from the time of the original meeting. The adjournment provisions of this Section 2.14 do not apply to actions proposed to be taken by written ballot.

2.15 Ballot Meetings. Unless prohibited or limited by the Articles of Incorporation or these Bylaws of the Association, any action that may be taken at any annual or special meeting of the Owners may be taken without a meeting if the Association delivers a written ballot to every Owner entitled to vote on the matter as provided in *ORS 94.647*. Such ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. A proposed action shall be deemed to be approved by written ballot when the number of votes cast by ballot equals or exceeds any quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. The Board must provide Owners with at least 10 days' notice as required by *ORS 94.647(2)(b)* before written ballots are mailed or otherwise delivered. If, at least three days before written ballots are scheduled to be mailed or otherwise distributed, at least 10% 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 making 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.

2.16 Treatment of Ballots. Such procedure shall be taken in a manner that will assure that the vote of any Member or his proxy shall not be disclosed to anyone, even the Election Committee. The outside envelope shall thereupon be placed in a safe or other locked place and the Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one ballot, all such ballots shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by the Members present, the Ballots and the outside envelopes shall be destroyed.

2.17 Order of Business. The order of business at all annual meetings shall be as follows:

- (a) Meeting Called to Order.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Report of mail in ballots and proxies.
- (d) Reading of minutes of the preceding meeting.
- (e) Treasurer's Report & Budget Report
- (f) Reports of officers.
- (g) Old or Unfinished business.
- (h) Election of Directors.
- (i) New business.
- (j) Adjournment.

ARTICLE 3 BOARD OF DIRECTORS

3.1 Number and Qualification. The Board shall be composed of five persons, who must be an Owner or a co-owner of a Lot. If a Lot is owned by more than one Owner, only one Owner of that Lot may serve on the Board of Directors at any one time. An officer or employee of a corporation, the trustee of a trust, the personal representative of an estate, or an employee of a trust or estate may serve on the Board if the corporation, trust, or estate owns a Lot.

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 and things as are not by law or by these Bylaws directed to be done by the Owners. Such powers include, but are not limited by the powers enumerated in this Article.

3.3 Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board shall have authority to carry out and be responsible for the following matters:

3.3.1 Upkeep of Common Area Improvements and Commonly Maintained Property. Care, upkeep, and supervision of the Common Area Improvements and the Commonly Maintained Property.

3.3.2 Reserves. Establishment and maintenance of replacement Reserve Accounts that the Board deems prudent for replacement of Common Area improvements or facilities and the Commonly Maintained Property.

3.3.3 Investment of Reserve Account Funds. Assessments paid into Reserve Accounts shall be kept with a safe and responsible depository, shall be accounted for separately, and, if invested, the obligation or security shall be fully guaranteed as to principal by the United States of America or one of its agencies. Assessments paid into the Reserve Accounts are the property of the Association and are not refundable to sellers of Lots. No Owner shall have any

individual rights in any of these reserves, although it is understood that the value of an Owner's Lot may increase in proportion to such Lot's right to receive repair, maintenance, and replacement therefrom.

3.3.4 Assessment Roll, Assessment and Fine Collection. The Board and the managing agent or manager, if any, shall maintain the assessment roll in a set of accounting books in which there shall be an account for each Lot. Such account shall designate the name and address of the Owner or Owners, the amount of each assessment against the Owner, the dates on which and the amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

3.3.5 Budget; Voucher System. Establishment of a budget and payment of all common expenses of the Association and institution and maintenance of a voucher system for such payment, which shall require a sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of Association funds, in accordance with these Bylaws and the Declaration.

3.3.6 Insurance. Procurement and maintenance of insurance policies and payment of premiums therefor out of the common expense funds in respect to the Common Area, as more specifically provided in Article 9 of these Bylaws.

3.3.7 Personnel. Designation and dismissal of the personnel necessary for the maintenance and operation of the Project.

3.3.8 Financial Statements. Causing the preparation and distribution of annual financial statements of the Association to each of the Owners, as more specifically provided in the Declaration.

3.3.9 Rules. Adoption and amendment of Administrative Rules and Regulations governing the details of operation and use of the Common Area and administration of the Association, including a fine schedule for violations of these Bylaws, the Declaration, or any rules or regulations promulgated thereunder. Provided, however, that any such Rules and Regulations shall always be subject to rescission or amendment by the Association on a majority vote of Owners present at any properly called meeting.

3.3.10 Copies of Documents; Bank Accounts. Causing the Association to comply with *ORS 94.670*, as amended from time to time, relating to maintenance within the state of Oregon of documents delivered to the Association by Declarant, depositing all assessments in a separate bank account in the name of the Association, payment of all expenses of the Association from the Association's bank account, and maintenance and distribution of financial statements and to maintain copies suitable for duplication of the following: the Declaration, the Articles of Incorporation, the Bylaws, the Association rules and regulations and any amendments thereto, the most recent annual financial statement, and the current operating budget of the Association.

Further, the Board of Directors shall cause to be maintained and kept current the information required to enable the Association to comply with *ORS 94.670*.

3.3.11 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board.

3.3.12 Tax Returns. Causing the Association to file the necessary tax returns of the Association. The Board, in its sole discretion, shall determine the manner in which all necessary income tax returns are filed and of selecting any and all persons to prepare such tax returns.

3.3.13 Mailing Address. Establishing and maintaining a current mailing address for the Association.

3.3.14 Professional Services. Employment of legal, accounting, and other personnel or consultants for reasonable compensation to perform such services as may be required for the proper administration of the Association, and preparing and filing the required income tax returns or forms.

3.4 Limited Authority. The Board shall not take any of the following actions, except with the vote or written assent of a majority of the voting power of the Owners:

3.4.1 Third-Party Contracts. Enter into a contract with a third party wherein the third person will furnish goods or services for the Common Area, the Commonly Maintained Property, or the Association for a term longer than one year with the following exceptions:

(a) Management contract, the provisions of which have been approved by the Federal Housing Administration, U.S. Housing and Urban Development, or Department of Veterans Affairs.

(b) A contract with a public utility company in Klamath County, or a service contract if the rates charged for the materials or services are regulated by the Oregon Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(c) A prepaid casualty and/or liability insurance policy the term of which does not exceed three years, provided that the policy permits short-rate cancellation by the insured.

3.4.2 Capital Expenditures. Incur aggregate expenditures for capital improvements (as opposed to maintenance, repair and replacement costs) to the Common Area, the Commonly Maintained Property, during any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

3.4.3 Compensating Board Members. No Director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by vote of the Owners, provided, however, that the Board may cause a Member or Officer to be reimbursed for expenses incurred in carrying on the business of the Association.

3.5 Management Agent. The Board may employ a management agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 3.3 of these Bylaws.

3.6 Organizational Meeting. The first meeting of a newly elected Board shall be held at such place as shall be fixed by the Directors at the Association meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to hold such meeting legally, providing a majority of the newly elected Directors are present.

3.7 Regular 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. Notice of regular meetings of the Board may be called by the President on at least three days' notice to each Director, given personally or by mail, telephone, e-mail, or facsimile, which notice shall state the time, place (as herein above provided), and purpose of the meeting.

3.8 Special Meetings. Special meetings of the Board may be called by the President or Secretary or on the written request of at least two Directors. Special meetings of the Board may be called on at least three days' notice to each Director, given personally or by mail, telephone, e-mail, or facsimile, which notice shall state the time, place (as herein above provided), and purpose of the meeting.

3.9 Waiver of Notice to Directors. Before, at, or after any meeting of the Board, any Director may, in writing, 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 such Director of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting.

3.10 Board of Directors' Quorum. At all meetings of the Board, a majority of the existing Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors shall be the acts of the Board. If quorum requirements are not met at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

3.11 Board Meetings Open to All Association Members. Except for executive sessions, all meetings of the Board shall be open to any and all Members of the Association; provided, however, that no Association Member shall have a right to participate in the Board's meetings unless such Member is also a member of the Board. The President shall have authority to exclude any Association Member who disrupts the proceedings at a meeting of the Board. At the discretion of the Board, the following matters may be considered in executive sessions:

- (a) consultation with legal counsel concerning rights and duties of the Association regarding existing or potential litigation or criminal matters;
- (b) personnel matters, including salary negotiations and employee discipline;
- (c) negotiations of contracts with third parties;
- (d) collection of assessments; and
- (e) for any other purpose permitted by the PCA.

Except in the case of an emergency, the Board shall vote in an open meeting whether to meet in executive session. If the Board votes to meet in executive session, the presiding officer of the Board shall state the general nature of the action to be considered, as precisely as possible, when and under what circumstances the deliberations can be disclosed to Owners. The statement, motion, or decision to meet in executive session must be included in the minutes of the meeting. A contract or an action considered in executive session does not become effective unless the Board, following the executive session, reconvenes in open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes.

3.12 Notice to Association Members of Board Meetings. For other than emergency meetings, notice of Special Board Meetings shall be mailed to each Owner at least seven days before the meeting by first-class mail or at least three days' notice by hand-delivery to each Lot Owner's address or by facsimile transmission. The Board shall give Owners notice of Regular Board Meetings at the beginning of each year by first class mail or other reasonable means setting out the time and place of the regular meetings. For any changed time or place, the notice requirements for special meetings shall apply.

3.13 Emergency Meetings. In the event of an emergency, Board of Directors meetings may be conducted by telephonic communication or by the use of a means of communication that allows all Board members participating to hear each other simultaneously or otherwise to be able to communicate during the meeting. No notice to either Directors or Association members shall be required for such meetings of the Board of Directors to be held for any emergency action. Provided, however, that no such meeting shall occur unless at least 75% of the Board of Directors participate in the same and after an attempt has been made to reach each Director.

ARTICLE 4

NOMINATION, ELECTION TERMS OF OFFICE, VACANCIES AND REMOVAL OF THE BOARD OF DIRECTORS.

4.1 Written Ballot. Election to the Board of Directors shall be by written ballot as hereinafter provided. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the recorded covenants applicable to The Properties as provided in Section 2.4.1. The names receiving the largest number of votes shall be elected.

4.2 Nominating Committee. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the Standing Committees of the Association.

4.3 Composition of Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each such annual meeting.

4.4 Nominations from Committee. The Nominating Committee 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. Such nominations may be made from among members.

4.5 Form of Ballot. All elections to the Board of Directors shall be made on written ballot which shall,

- (a) Describe the vacancies to be filled;
- (b) Set forth the names of those nominated by the Nominating Committee for such vacancies; and
- (c) Contain a space for write-in vote by the Members for each vacancy.
- (d) Such ballots shall be prepared and mailed by the Secretary to the Members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the day before the annual meeting or special meeting called for elections).

4.6 Voting of Ballots. Each Member shall receive as many ballots as he has votes. Notwithstanding that a Member may be entitled to several votes, he shall exercise on any one ballot only one vote for each vacancy shown thereon. The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot and the Members shall be advised that because of the verification procedures of Section 4.7, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope, or envelopes (if the Member or his proxy is exercising more than one vote) shall be placed in another sealed envelope which shall bear on its face the name and signature of the Member or his proxy, the number of ballots being returned, and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the then current Secretary at the address provided in the meeting Notice.

4.7 Care of Ballots. Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the annual or other special meeting at which the elections are to be held. On that day, the external envelopes containing the "Ballot"

envelopes shall be turned over, unopened, to an Election Committee which shall consist of five Members appointed by the Board of Directors. The Election Committee shall then adopt a procedure which shall:

(a) Establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to the Member or his proxy identified on the outside envelope containing them; and

(b) That the signature of the Member or his proxy on the outside envelope is genuine; and

(c) If the vote is by proxy, that a proxy has been filed with the Secretary as provided in Section 2.7, and that such proxy is valid.

4.8 Election and Term of Office. The Board of Directors shall take office immediately following the annual meeting of the Members at which annual meeting the Members shall elect Directors for a term of five years to fill the vacancies created by Directors whose terms have expired and those who have resigned or have been removed. Upon expiration of the term of office of each respective Director, such Director's successor shall be elected to serve a term of five years. The Directors shall hold office until their successors have been elected and hold their first meeting.

4.9 Vacancies. Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled for the balance of the term of each directorship by vote of a majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected upon expiration of the term for which such person was elected to serve by the other Directors.

4.10 Removal of Directors. At any legal annual or special meeting (not including actions proposed to be taken by written ballot without a meeting), any one or more of the Directors may be removed with or without cause, by a majority vote of the total voting power of the Owners and a successor may be then and there elected to fill the vacancy thus created; provided, however, that the notice of meeting shall specifically indicate that the removal of one or more named Directors is an agenda item for such meeting. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at such meeting.

ARTICLE 5 OFFICERS

5.1 Designation. The principal officers of the Association shall be a President, Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Directors. The Directors may appoint an assistant treasurer and an assistant secretary, and any such other officers as in their judgment may be necessary.

5.2 Election of Officers. The Officers of the Association may be elected by the Board at the organizational meeting of each new Board or any Board meeting thereafter, and shall hold office at the pleasure of the Board.

5.3 Directors or Members as Officers. Any Director or Member may be an Officer of the Association.

5.4 Removal of Officers. Upon an affirmative vote of a majority of the Board, any Officer may be removed, either with or without cause, and such Officer's successor may be elected at any regular or special meeting of the Board.

5.5 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board. 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 to appoint committees from among the Owners from time to time as the President may, in the President's discretion, decide is appropriate to assist in the conduct of the affairs of the Association. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out, and sign all notes, checks, leases, mortgages, deeds and all other written instruments.

5.6 Vice President. The Vice President shall act in the place of the President when the President is absent.

5.7 Secretary. The Secretary shall be ex-officio the secretary of the Board of Directors, shall record the votes and shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association and shall have charge of such books and papers as the Board may direct; and shall, in general, perform all the duties incident of the office of Secretary. He or she shall sign all certificates of membership. He or she shall keep the records of the Association. He or she shall record in a book kept for that purpose the names of all Members of the Association together with their addresses as registered by such Members.

5.8 Treasurer. The Treasurer shall have responsibility for Association funds and securities not otherwise held by the managing agent and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board. The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors, provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President. Within

90 days after the end of the fiscal year, the Treasurer, under supervision of the Board of Directors shall prepare an annual financial statement consisting of a balance sheet and income and expenses statement for the preceding fiscal year and which shall be disbursed to each owner and, upon request, to any mortgagee of a lot.

5.8.1 Payment of Vouchers. The Treasurer shall pay all expenses authorized by the Board. The Treasurer shall maintain and follow reasonable procedures to assure the accounts and records are proper, and to assure that all expenditures are proper. Except in cases when an emergency exists (e.g., a repair must be made immediately to prevent further damage), any voucher for non-budgeted items shall require the signature of the President; provided, however, that any withdrawal from Reserve Accounts shall require the signature of two Board members or one Board member and an officer of the Association who is not a Board member.

ARTICLE 6 COMMITTEES

6.1 Standing Committees. The Standing Committee of the Association shall be the Audit Committee.

6.2 Audit Committee. The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meeting as provided in Section 5.6. The treasurer shall be an ex-officio member of the Committee.

6.3 Receipt of Complaints. It shall be the duty of each Committee to receive complaints from Members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE 7 ASSESSMENTS

7.1 Payment of Assessments. All Owners are obligated to pay assessments imposed by the Association to meet all the Association's general common expenses, as more particularly set forth in the Declaration. Assessments shall be payable on a periodic basis, not more frequently than monthly, as determined by the Board. The Board may, but shall not be required to, impose interest or a service charge for installment payments made more than 60 days after notice of the assessment is sent by the Association or allow a discount for payment of the annual assessment or any installment in advance.

7.2 Record of Assessments. The Board of Directors is given the authority to levy assessment against property owners for the cost of maintaining the costs of the Association, as set forth more fully in Section 3.3.4 of these Bylaws and in the Declarations.

7.3 Statement of Assessments.

7.3.1 The Association shall provide, within 10 business days of receipt of a written request from an Owner, a written statement that provides:

7.3.1.1 The amount of assessments due from the Owner and unpaid at the time the request was received, including:

- (a) regular and special assessments;
- (b) fines and other charges;
- (c) accrued interest; and
- (d) late payment charges.

7.3.1.2 The percentage rate at which interest accrues on assessments that are not paid when due.

7.3.1.3 The percentage rate used to calculate the charges for late payment or the amount of a fixed charge for late payment.

7.3.2 The Association is not required to comply with this Section if the Association has commenced litigation by filing a complaint against the Owner and the litigation is pending when the statement would otherwise be due.

7.4 Default. Failure by an Owner to pay any assessment of the Association shall be a default by such Owner of such Owner's obligations pursuant to these Bylaws and the Declaration. The Association shall be entitled to the remedies set forth in this Article 7 and the Amended Declarations.

7.5 Assessment Collection Costs; Suits and Actions. An Owner shall be obliged to pay reasonable fees and costs (including, but not limited to, attorney fees) and actual administrative costs incurred in connection with efforts to collect any delinquent unpaid assessments from such Owner, whether or not suit or action is filed. Assessments against Owners may include fees, late charges, fines, and interest imposed by the Board, in addition to amounts owed toward operating expenses and the funding of reserves. If the Association brings against any Owner or Owners a suit or action for the collection of any amounts due pursuant to or for the enforcement of any provisions of the Declaration, the Articles, or these Bylaws, such Owner or Owners, jointly and severally, shall pay, in addition to all other obligations, the costs of such suit or action, including actual administrative expenses incurred by the Association because of the matter or act which is the subject of the suit, reasonable attorneys' fees to be fixed by the trial

court and, in the event of an appeal, the cost of the appeal, together with reasonable attorneys' fees in the appellate court to be fixed by such court.

7.6 Maintenance and Repair.

7.6.1 Lots. Except as otherwise specifically provided in the Declaration and these Bylaws, every Owner must promptly perform all maintenance and repair work to such Owner's Lot and the exterior of the improvements thereon (which do not constitute Commonly Maintained Property) and keep the same in good repair and sanitary and neat condition.

7.6.2 Reimbursement of Association. An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any portion of the Common Area or of any Commonly Maintained Property that was damaged through such Owner's fault and that is not otherwise covered by insurance policies carried by the Owner or the Association for the Owner's and the Association's benefit. In such circumstances, the insurance obtained by the Owner shall be deemed to be the primary coverage. The Board of Directors shall have the unfettered discretion to refuse to make a claim on the Association's policy even though coverage may pertain. Such discretion is for the purpose of maintaining the Association's insurability and controlling the amount of the premiums for the Association's insurance. Such charge shall be collectible as a Reimbursement Assessment as provided in the Declaration.

7.7 Right of Entry; Easements for Maintenance.

7.7.1 Emergencies. Present and future owners, tenants, occupants, and any other persons that occupy any portion of the Property, by virtue of acquisition, rental, or occupancy of any of the Lots, grant to the management agent or to any other person authorized by the Board or the Association the right to enter on such Lot in the event of an emergency originating in or threatening any Owner's Lot.

7.7.2 Maintenance Easements. The Owner of each Lot grants an easement to the Association in and through any Lot and the Common Area providing access at reasonable times and with reasonable notice for purposes of maintenance, repair, and replacement of the Common Area and Commonly Maintained Property. If, in performing such repair and maintenance, the Association needs to alter or damage any Lot, Commonly Maintained Property, or Common Area, it may do so without providing compensation, provided that it promptly restores the Lot and/or Common Area to substantially its prior condition.

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ARTICLE 8
USE AND OCCUPANCY RESTRICTIONS;
RULES OF CONDUCT

8.1 Use of the Common Area. Subject to the provisions of Section 8.1.1, every Member shall have a right in the easement of enjoyment in and to the Common Properties, and such easement shall be appurtenant to and shall pass with the title to every lot.

8.1.1 Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association in accordance with its Articles and By-Laws to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said properties. In the event of a default upon any such mortgage, the lender's rights hereunder shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by Members, and if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied. Whereupon, possession of such properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored.

(b) The right of the Association to take such steps as are reasonably necessary to protect the above described Properties against foreclosure.

(c) The right of the Association as provided in its Articles and By-Laws to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid and for any period not to exceed thirty days for any infraction of its published rules and regulations.

(d) The right of the Association to charge reasonable admission and other fees for the use of the Common Properties.

(e) The right of individual Members to the exclusive use of parking space as provided in Section 8.1.2 hereof.

(f) The right of the Association to dedicate or transfer all or any part of the Common Properties 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, determination as to the purpose or as to the conditions thereof, shall be effective unless an instrument signed by Members entitled to cast two-thirds of the votes of the membership has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the proposed agreement and action thereunder is sent to every Member at least 90 days in advance of any action taken.

8.1.2 Parking Spaces. The Association shall maintain upon the Common Properties at least one parking space for each living unit. Subject to reasonable rules and conditions, the Association shall designate at least one parking space in the fenced parking area for the parking of travel trailers, campers, boats and trailers, or any other trailer as desired by the Members. The

use of such space by any other Member or person may be enjoyed by the Association or the Members entitled thereto. The right to exclusive use of such parking space and its maintenance and designation by the Association shall be appurtenant to and shall pass with the title to the Lot. No Owner shall place or cause to be placed on any portion of the Common Area any trash, structure, unlicensed or inoperable motor vehicle, equipment, improvement, furniture, package, or object of any kind. Common areas shall be used for no purpose other than what is customary for such areas.

8.1.3 Right of Delegation. Any Member may delegate his rights of enjoyment in the Common Properties and Facilities to the members of his family who reside upon the Properties, or to any of his tenants who reside thereon under a leasehold interest. Such Member shall notify the Secretary in writing of the name of any such person and of the relation of the Member to such person. The rights and privileges of such person shall be subject to suspension under Section 8.1.1(a), the same as those of the member.

8.2 Appearance of Lots. Owners shall keep their Lots and the improvements thereon in good repair, clean, and with painted, stained, or other finished exteriors compatible with the Architectural Standards, the Declaration, and Rules and Regulations. Provided, however, the Association shall have such obligations with respect to the Commonly Maintained Property.

8.3 Nuisances. No Owner or occupant shall cause or permit such Owner's representatives, agents, employees, or family members to cause any nuisance or to make any use or engage in any practice on the Property that is a source of annoyance to other Owners and occupants or that interferes with other Owners' and occupants' peaceful possession and proper use of the Property. Owners and occupants shall exercise extreme care about creating disturbances, making noises or using musical instruments, radios, televisions, and amplifiers that may disturb other Owners and occupants. Owners and occupants shall keep all parts of their respective Lots in a clean and sanitary condition, free of any accumulation of rubbish, refuse, or garbage and free of any fire hazard and shall not cause any accumulation of rubbish, refuse, or garbage or any fire hazard on any other part of the Property. Owners and occupants shall place all of their rubbish, refuse, and garbage inside disposal containers. No Owner shall make or permit any use of such Owner's Lot or of the Common Area that will increase the cost of insurance on the Common Area.

8.4 Improper, Offensive, or Unlawful Use. No Owner or occupant shall make any improper, offensive, or unlawful use of any part of the Property. Owners and occupants shall observe all valid laws, zoning ordinances, and regulations of governmental bodies having jurisdiction over the Property. The responsibility for meeting the requirements of governmental bodies for maintenance, modification, or repair of the Property shall be carried out and paid for in the same manner as the responsibility for the maintenance and repair of the Property concerned.

8.5 Additional Rules. In addition to the rules set forth in this Article 8, the Board may promulgate and amend, from time to time, Rules and Regulations concerning other use of the Property and shall furnish copies of such Rules and Regulations to any Owner or occupant requesting such copies.

8.6 Enforcement. The Association, through its Board of Directors, shall have the power to enforce the covenants and restrictions in these Bylaws and in the Declaration. Owners shall also have the right to bring actions or suits regarding covenants and restrictions, but shall have no right or power to require the Association or Board of Directors to take any enforcement action.

8.7 Fines. The Board of Directors may, after giving written notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations of the Association, provided that fines levied are based on a schedule previously adopted by Board resolution that is mailed to the mailing address of each Unit or mailed to the mailing address designated in writing by the Owner(s).

ARTICLE 9 INSURANCE

9.1 General. The Board shall obtain and maintain at all times insurance of the type and kind and in the amounts hereinafter provided and additional insurance for such other risks of a similar or dissimilar nature as are now or as shall be hereafter customarily covered by insurance obtained by other planned communities similar in construction and design. Such additional insurance shall be governed by this Article 9.

9.2 Types of Insurance Policies Maintained by the Association. For the benefit of the Association and the Owners, the Board shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance to the extent that it is available at reasonable cost:

9.2.1 Property Insurance. A policy or policies of property insurance, including, but not limited to, fire, extended coverage, vandalism, and malicious mischief, for the full insurable replacement value of the Common Area to the extent such insurance is available and, if available at a reasonable cost, shall obtain building code and actual replacement cost endorsements and earthquake insurance.

9.2.2 Liability. A policy or policies insuring the Association, its Board, the Owners individually, and the manager against any liability to the public or the Owners and their invitees or tenants, incident to the ownership, supervision, control, or use of the Property. Limits of liability under such insurance shall be not less than \$1 million per occurrence for bodily injuries and property damage liability. Such limit and coverage shall be reviewed at least annually by the Board, which may increase the limit of and/or coverage, in its discretion. Said policy or policies

shall be issued on a commercial General Liability form and shall provide cross-liability endorsements wherein the rights of the named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured.

9.2.3 Workers' Compensation. Workers' compensation insurance to the extent that it is necessary to comply with any applicable laws.

9.3 Fidelity Bond. For the benefit of the Association and Owners, the Board may obtain a fidelity bond naming such persons as may be designated by the Board as principals and the Association and the Owners as obligees, for the amount determined by the Board. The Board may pay for such bond out of the common expenses of the Association. In addition, the Board shall require that all officers and employees of the Association handling or responsible for Association funds to obtain adequate fidelity bonds and may pay for the premiums thereon.

9.4 Provisions in Insurance Policies. The Board shall make every reasonable effort to secure insurance policies that will provide for the following:

9.4.1 Waiver of Subrogation. A waiver of subrogation by the insurer as to any claims against the Board, the officers, the manager, the Owners, and their respective servants, agents, guests, and tenants.

9.4.2 Non-cancellation for Owner Conduct. A provision that the master policy on the Property cannot be canceled, invalidated, or suspended on account of the conduct of any one or more individual Owners.

9.4.3 Non-cancellation Without Opportunity to Cure. A provision that the master policy on the Property cannot be canceled, invalidated, or suspended on account of the conduct of any officer or employee of the Board or the manager without prior demand in writing that the Board or manager cure the defect.

9.4.4 No Other Insurance Clauses. A provision that any "no other insurance" clause in the master policy exclude individual Owners' policies and not otherwise prevent such individual policies from providing coverage for damage to homes, Lots, or Common Area.

9.5 Home and Lot Insurance Maintained by Each Owner. The Association shall have no responsibility to procure or to assist Owners or occupants in procuring property loss insurance or liability insurance other than as expressly stated in this Article 9. Owners and occupants shall procure all other insurance coverage that they deem necessary or prudent for their protection, and shall be obligated to carry property insurance with extended coverage endorsements in the amount of the replacement value of such Owners' homes and with minimum combined limits of \$100,000 per occurrence. Insurance coverage obtained and maintained by the Board of Directors may be brought into contribution with that obtained and maintained by Owners or mortgagees only in the Board of Directors' sole and unfettered discretion.

9.6 Review of Insurance Policies. At least annually, the Board shall review all insurance carried by the Association, which review shall include a consultation with a representative of the insurance carrier writing the master policy.

ARTICLE 10 RECORDS AND AUDITS

The Board and the managing agent or manager, if any, shall preserve and maintain minutes of the meetings of the Association, the Board, and any Board committees as required by *ORS 94.670*. The Board shall maintain a list of Owners entitled to vote at meetings of the Association. The minutes of the Association, the Board, and Board committees, and the Association's financial records shall be reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Association for providing copies. Proxies and ballots must be retained by the Association for one year from the date of determination of the vote.

ARTICLE 11 INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS

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

employees, or agents and Members of the Association who participated with or benefitted from the acts that created said liability.

ARTICLE 12 COMPLIANCE WITH THE PLANNED COMMUNITY ACT; CONFLICTS

These Bylaws are intended to comply with the provisions of the PCA, the provisions of which apply to Country Green. In case of any conflict among the provisions of the PCA, the Articles, the Declaration, or these Bylaws, the provisions of the PCA shall control over those of the Articles and Declaration, and the provisions of the Declaration shall control over those of the Articles and these Bylaws.

ARTICLE 13 AMENDMENT

Except as otherwise provided in this Article, and the restrictions set forth elsewhere herein, these Bylaws may be amended at any time by an instrument approved by at least a majority of the total votes of Members that are eligible to vote. Any amendment must be executed, recorded and certified as provided by law. Provided, however, no amendment of these Bylaws may effect an amendment of the Declaration or the Articles without compliance with the provisions of such documents and the Oregon Nonprofit Corporation Act.

ARTICLE 14 MISCELLANEOUS

14.1 Notices. All notices to the Association or to the Board shall to the principal office of the Association or to such other address as the Board hereafter may designate from time to time. All notices to any Owner shall be sent to such address as may have been designated by such Owner from time to time, in writing, to the Board, or if no address has been designated, then to such Owner's Lot.

14.2 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 that may have occurred and the number of times that the pertinent restriction, condition, obligation, or provision was not enforced.

14.3 Invalidity; Number; Captions. The invalidity of any part of these 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 of the provisions of these Bylaws.

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Approved by Resolution of the Board of Directors of COUNTRY GREEN ASSOCIATION, INC., after an election of the Members was held in compliance with the existing Bylaws of the Association.

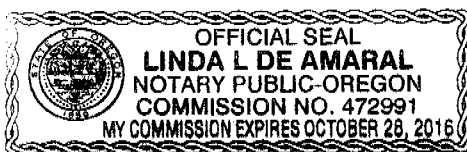
IN WITNESS WHEREOF, the President and Secretary of Country Green Association, Inc. has executed this instrument this 22nd day of October, 2013.

By: Michael Dennis Jace
President

By: Esther L. Hearn
Secretary

STATE OF OREGON)
) ss.
County of Klamath)

This instrument was acknowledged before me on Oct. 22, 2013, by Michael Dennis Jace as President and Esther Hearn as Secretary of COUNTRY GREEN ASSOCIATION, INC.



Linda L. De Amaral
Notary Public for Oregon
My commission expires: 10/28/16



**AMENDED DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
FOR
COUNTRY GREEN, TRACT 1085
A SUBDIVISION WITHIN KLAMATH COUNTY, OREGON**

RECITALS:

WHEREAS, HENLEY LAND COMPANY, INC., an Oregon Corporation (hereinafter called "the Developer") did, on the 30th day of July, 1974, record with the Clerk of Klamath County, Oregon, the Plat of Country Green, Tract 1085, a Subdivision within Klamath County, Oregon; and

WHEREAS, Developer incorporated under the laws of the State of Oregon as a non-profit corporation, and in the name of the COUNTRY GREEN ASSOCIATION, INC., (hereinafter called "the Association") for the purpose of preserving the values and amenities of the subdivision and delegated and assigned to it the powers of maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges created by the Declaration; and

WHEREAS, simultaneously in conjunction therewith, the said HENLEY LAND COMPANY, INC., did record a document entitled "Declaration of Conditions, Covenants, and Restrictions of the Henley Land Company, Inc. (the "Declaration")" dated the 22nd day of July, 1974, recorded in Deed Records of Klamath County, M-74, Page 9272, on the 30th day of July, 1974; and

WHEREAS, *Oregon Revised Statutes Section 94.590* (hereafter referred to as "*ORS*") provides that the Declarations of the original Declarant may be amended only with the approval of owners representing at least 75 % of the total votes in the planned community or any larger percentage specified in the Declaration, while Article VIII of the Declaration relating to amendment of the Declaration does not require approval of a larger percentage, and

WHEREAS, Article VIII of the Declaration is further superseded by *ORS 94.590*, which provides:

(1) "Unless otherwise provided in the declaration, an amendment to the declaration may be proposed by a majority of the board of directors or by at least 30 percent of the owners in the planned community.", (2) "When the association adopts an amendment to the declaration, the association shall record the amendment in the office of the recording officer in each county in which the planned community is located. An amendment of the declaration is effective only upon recordation.", and (3) "Notwithstanding a provision in a declaration that requires amendments to be executed and acknowledged by all owners approving the amendment, amendments to a declaration under this section shall be executed and certified on behalf of the association by the president and secretary as being adopted in accordance with the declaration and the provisions of this section and acknowledged in the manner provided for acknowledgment of deeds."

DECLARATION

NOW THEREFORE, this AMENDED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR COUNTRY GREEN, TRACT 1085 A SUBDIVISION WITHIN KLAMATH COUNTY, OREGON is adopted by the Association and shall become effective when recorded with the Klamath County Clerk. The Association declares that the Property shall be held, transferred, sold, conveyed, and occupied subject to the Oregon Planned Community Act (*ORS 94.550-94.783*), as may be amended from time to time, and subject to the following covenants, conditions, restrictions, easements, charges, and liens, which

shall run with the land, which shall be binding on all parties having or acquiring any right, title, or interest in the Property or any part thereof, and which shall inure to the benefit of the Association and of each Owner. Country Green Tract 1085 is a Class 1 planned community.

ARTICLE 1

Property

1.1 Lots; Property. The Lots and the Common Area may be collectively referred to in these Amended Declarations as the "Property" or "Properties" and the Lots individually as a "Lot" or collectively as the "Lots." The entire Property contained in the subdivision is described as follows:

A tract of land situated in the NE1/4 of Section 13, T. 39 S., R. 9 E., W.M., Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the south right-of-way line of Keller Road, said point being S 88°27'48" E a distance of 993.70 feet from the north one quarter corner of said Section 13; thence S 89°22'32" E. along the south right-of-way line of said Keller Road 1096.11 feet; thence S 00°37'28" W. 59.58 feet to the beginning of a curve to the right (central angle = 44°00'59", radius = 130.00 feet); thence southwesterly along the arc of said curve 99.87 feet; thence S. 44°38'27" W. 59.83 feet; thence 45°21'33" E. 90.56 feet; thence South 157.81 feet; thence S. 80°31'20" W. 184.49 feet to a point on a curve to the left (central angle = 15°10'46", radius = 280.00 feet); thence southwesterly along the arc of said curve 74.18 feet; thence N. 45°21'33" W 20.00 feet; thence S. 44°38'27" W. 276.89 feet to the beginning of a curve to the right (central angle = 21°57'17", radius = 230.00 feet); thence southwesterly along the arc of said curve 88.13 feet; thence S. 66°35'44" W. 77.54 feet; thence N. 23°24'16" W. 60.00 feet; thence N. 63°42'42" W. 19.53 feet to the beginning of a curve to the right (central angle - 24°11'35", radius - 249.23 feet); thence northwesterly along the arc of said curve 105.24 feet; thence N. 39°31'07" W. 254.42 feet to the beginning of a curve to the right (central angle = 10°11'56", Radius = 1494.90 feet); thence northwesterly along the arc of said curve 266.10 feet; thence N. 29°19'11" W. 133.66 feet to the point of beginning, containing 10.68 acres, more or less.

and

A Tract of land situated in the NW1/4NE1/4 of Section 13, T.39 S., R. 9 E., W.M., Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the South right-of-way line of Keller Road, said point being S. 88°27'48" E. a distance of 993.70 feet from the North one-quarter corner of said Section 13; thence N. 89°22'32" W. along the southerly right-of-way of Keller Road 993.51 feet to the West line of the NE1/4 of said section 13; thence S. 00°23'49" W. along said West line 262.01 feet; thence South 89°22'32" E. 1118.02 feet to a point on the westerly right-of-way line of the existing Enterprise Irrigation Lateral; thence N. 54°48'25" E. 30.00 feet to a point on the Easterly right-of-way line of said irrigation lateral; said point being on a curve (radius point bears N. 54°48'25" E. 1494.90 feet); thence along the arc of said curve to the right (central angle = 05°52'24", radius = 1494.90 feet) 153.24 feet; thence N. 29°19'11" W. 133.66 feet to the point of beginning, containing 6.43 acres, more or less.

and

Lots 6, 7, 8 and 9, Block2, First Addition to Country Green.

1.2 No Right to Annex Additional Property or to Withdraw Property. No right has been reserved to annex additional property to or to withdraw property from Country Green, Tract 1085.

1.3 Common Properties. "Common Properties" shall mean and refer to common areas, streets, footways, lawn equipment storage unit, including personal property incident thereto, and any other properties owned and maintained by the Association, including a RV storage area for the common benefit and enjoyment of the residents within the Properties.

1.4 Limited Use. Section 13. Block 1 and Block 2 of Country Green Subdivision shall be restricted to adult manufactured homes only. This shall be declared to mean that purchases of lots and blocks 1 and 2 shall not at the time of purchase have as a part of their immediate family any person under the age of 18 years."

ARTICLE 2

OWNERSHIP AND EASEMENTS

2.1 Nonseverability. The interest of each Owner in the use and benefit of the Common Area shall be appurtenant to the Lot owned by the Owner. No Lot shall be conveyed by the Owner separately from the interest in the Common Area. Any conveyance of any Lot shall automatically transfer the right to use the Common Area without the necessity of express reference in the instrument of conveyance.

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

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

2.3.1 Easements on Plat. The Common Area and Lots are subject to the easements and rights-of-way shown on the Plat.

2.3.2 Easements for Common Area. Every Owner shall have a nonexclusive right to use and enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot. Such easement is subject to *ORS 94.665* sale of common property under certain conditions, as may be amended from time to time.

ARTICLE 3

LOTS AND HOMES

3.1 Residential Use. Lots shall only be used for manufactured home residential purposes. Not more than one garage and one accessory building shall be placed or permitted to be placed on

each lot. Klamath County Planning Department regulations for similar planned communities shall be adhered to. Section 5.5.4, "Reimbursement Assessments" shall apply for violations of regulations.

Setback restrictions shall be obeyed when placing any building on a Lot. Except with the Board's consent, no trade, craft, business, profession, commercial, or similar activity of any kind shall be conducted on any Lot, and no goods, equipment, vehicles, materials, or supplies used in connection with any trade, service, or business shall be kept or stored on any Lot. A prohibited type of business is defined as any activity which has one or more of the following characteristics: (1) Increased vehicular traffic on Country Green streets; (2) Visible or audible change in Property use from residential use only; (3) Vehicles or other movable objects parked or stored on or near a property, or; (4) Any obvious evidence of commercial, mercantile, manufacturing or similar activity. Nothing in this Section 3.1 shall be deemed to prohibit (a) activities relating to the sale of residences, (b) the right of any contractor or homebuilder to construct manufactured home residences or accessory buildings on any Lot, to store construction materials and equipment on such Lots in the normal course of construction, and (c) the right of the Owner of a Lot to maintain such Owner's personal business or professional library, keep such Owner's personal business or professional records or accounts, handle such Owner's personal business or professional telephone calls, or confer with business or professional associates, clients, or customers in such Owner's residence. The Board shall not approve commercial activities otherwise prohibited by this Section 3.1 unless the Board determines that only normal residential activities would be observable outside of the residence and that the activities would not be in violation of applicable local government ordinances.

3.2 Maintenance of Lots and Homes. Each Owner shall maintain such Owner's Lot and all improvements thereon in a clean and attractive condition, in good repair, and in such fashion as

not to create a fire hazard. Such maintenance shall include, without limitation, maintenance of windows, doors, garage doors, walks, patios, chimneys, and other exterior improvements and glass surfaces. Each Owner shall repair damage caused to such Owner's Lot or improvements located thereon by fire, flood, storm, earthquake, riot, vandalism, or other causes within a reasonable period.

3.3 Temporary Structures. No structure of a temporary nature, trailer, tent, basement, shack, garage, barn, or other outside building shall be used on any lot at any time as a residence, either temporarily or permanently, nor shall any structure be removed or placed on any of said parcels without the prior written consent of the Board of Directors.

3.4 Rental of Homes. An Owner may rent or lease such Owner's Home or a portion thereof, provided that the following conditions are met:

3.4.1 Written Rental Agreements Required. The Owner and the tenant shall enter into a written rental or lease agreement specifying at least that (i) the tenant shall be subject to all provisions of the Declaration, Bylaws, and Rules and Regulations, and (ii) a failure to comply with any provision of the Declaration, Bylaws, and Rules and Regulations shall constitute a default under the rental or lease agreement. If the owner does not reside on the lot and has leased it to a tenant, written notice of the tenant's name and phone number and the owner's contact information shall be given to the Association by the owner. Notice shall also be given the Association when the tenancy terminates;

3.4.2 Tenant Must be Given Documents. The Owner gives each tenant a copy of the Declaration, Bylaws, and Rules and Regulations.

3.5 Animals. No animals, livestock, or poultry of any kind, other than a reasonable number of household pets that are not kept, bred, or raised for commercial purposes and that are

reasonably controlled so as not to be a nuisance, shall be raised, bred, kept, or permitted within any Lot. Owners whose pets cause any inconvenience or unpleasantness to other Owners shall take all steps reasonably necessary to prevent recurrence thereof and Owners whose pets damage other Owners' Lots or personal property shall reimburse such other Owners for reasonable costs actually incurred by such other Owners in repairing such damage. An Owner shall ensure that such Owner's dog is leashed when on the Property and outside of such Owner's Lot. An Owner may be required to remove a pet on the receipt of the third notice in writing from the Board of a violation of any rule, regulation, or restriction governing pets within the Property. No kennels shall be permitted on a Lot, nor shall any dog be permitted to run at large.

3.6 Nuisance. No noxious, harmful, or offensive activities shall be carried out on any Lot or Common Area. Nor shall anything be done or placed on any Lot or Common Area that interferes with or jeopardizes the enjoyment of, or that is a source of annoyance to, the Owner or other Occupants.

3.7 Vehicles in Disrepair. No Owner shall permit any vehicle that is in a state of disrepair or that is not currently licensed to be abandoned or to remain parked on the Common Area or on any street on or adjacent to the Property of the Owner or another at any time and may not permit them on a Lot for a period in excess of 48 hours. Boats, boat trailers, travel trailers and campers shall not be stored in the streets within the Subdivision, but rather shall be parked in a designated area at a nominal charge, such area to be under the control of the Association. A vehicle shall be deemed in a "state of disrepair" when the Board reasonably determines that its presence offends the occupants of the neighborhood. If an Owner fails to remove such vehicle within five days following the date on which the Association mails or delivers to such Owner a notice directing such

removal, the Association may have the vehicle removed from the Property and charge the expense of such removal to the Owner as a Reimbursement Assessment, which may be collected and enforced as any other assessments imposed pursuant to the Declaration and Bylaws.

3.8 Signs. No signs shall be erected or maintained on any Lot except that not more than one "For Sale" or "For Rent" sign placed by the Owner or by a licensed real estate agent, not exceeding 24 inches high and 36 inches long, may be temporarily displayed on any Lot. The restrictions contained in this Section 3.8 shall not prohibit the temporary placement of "political" signs on any Lot by the Owner or Occupant. Provided, however, political signs shall be removed within three days after the election day pertaining to the subject of the sign. Real estate signs shall be removed within three days after the sale closing date.

3.9 Rubbish and Trash. No Lot or part of the Common Area shall be used as a dumping ground for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate containers for proper disposal and removed from the curb by the end of the day of collection by the garbage collection company. Yard rakings, dirt, and other material resulting from landscaping work shall not be dumped onto streets, the Common Area, or any other Lots. If an Owner fails to remove any trash, rubbish, garbage, yard rakings, or any similar materials from any Lot, any streets, or the Common Area where deposited by such Owner or the Occupants of such Owner's Lot after notice has been given by the Board to the Owner, the Association may have such materials removed and charge the expense of such removal to the Owner. Such charge shall constitute a Reimbursement Assessment, which may be collected and enforced as any other assessments imposed pursuant to the Declaration and Bylaws.

3.10 Right of Maintenance and Entry by Association. If an Owner fails to perform maintenance and/or repair that such Owner is obligated to perform pursuant to this Declaration, and if the Board determines, after notice, that such maintenance and/or repair is necessary to preserve the attractiveness, quality, nature, and/or value of Country Green the Board may cause such maintenance and/or repair to be performed and may enter any such Lot whenever entry is necessary in connection with the performance thereof. An Owner may request, and the Board shall conduct, a hearing on the matter. The Owner's request shall be in writing delivered within five days after receipt of the notice, and the hearing shall be conducted within not less than five days nor more than 20 days after the request for a hearing is received. Entry shall be made with as little inconvenience to an Owner as practicable and only after advance written notice of not less than 48 hours, except in emergency situations. The costs of such maintenance and/or repair shall be chargeable to the Owner of the Lot as a Reimbursement Assessment, which may be collected and enforced as any other assessments authorized hereunder.

3.11 Association Rules and Regulations. The Board from time to time may adopt, modify, or revoke such Rules and Regulations governing the conduct of persons and the operation and use of Lots and the Common Area as it may deem necessary or appropriate to assure the peaceful and orderly use and enjoyment of the Property and the administration and operation of the Association. A copy of the Rules and Regulations, upon adoption, and a copy of each amendment, modification, or revocation thereof, shall be delivered by the Board promptly to each Owner and shall be binding upon all Owners and occupants of all Lots on the date of delivery or actual notice thereof. The method of adoption of such Rules and Regulations shall be provided in the Bylaws of the Association.

3.12 Ordinances and Regulations. The standards and restrictions set forth in this Article 3 shall be the minimum required. To the extent that local governmental ordinances and regulations are more restrictive or provide for a higher or different standard, such local governmental ordinances and regulations shall prevail.

ARTICLE 4

MEMBERSHIP IN THE ASSOCIATION

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

4.2 Proxy. Each Owner may cast such Owner's vote in person, by written ballot, or pursuant to a proxy executed by such Owner. An Owner may not revoke a proxy given pursuant to this Section 4.2 except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one year after its date, unless the proxy specifies a shorter term.

4.3 Voting Rights. The Association shall have one class of voting members. Each member shall be entitled to one vote for each Lot owned with respect to all matters on which Owners are entitled to vote. When more than one person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but in no event shall fractional voting be allowed. Fractional or split votes shall be disregarded, except for purposes of determining a quorum.

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

ARTICLE 5

FUNDS AND ASSESSMENTS

5.1 Purpose of Assessments; Expenses. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, aesthetics, and welfare of the Owners and Occupants of Country Green Association, Inc., for the improvement, operation, and maintenance of the Common Area, and for the administration, operation of the Association and for property and liability insurance.

5.2 Agreements to Pay. Each Owner agrees to pay the Association the assessments and any additional charges levied pursuant to this Declaration or the Bylaws. All assessments for operating expenses, repairs and replacement, and reserves shall be allocated among the Lots and their Owners as set forth in Section 5.4.2.

5.2.1 Funds Held in Trust. The assessments collected by the Association shall be held by the Association for and on behalf of each Owner and shall be used solely as set forth in Section 5.1. On the sale or transfer of any Lot, the Owner's interest in such funds shall be deemed automatically transferred to the successor in interest to such Owner.

5.2.2 Offsets. No offset by an Owner against any Association assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its duties.

5.2.3 Right to Income. Association income, if any, shall be the property of the Association and shall be contributed to the Current Operating Account.

5.3 Annual Assessments. Annual assessments for each fiscal year shall be established when the Board approves the budget for that fiscal year. Annual assessments shall be payable on a periodic bases, not more frequently than monthly, as determined by the Board. The fiscal year shall be September 1 to August 31, unless another fiscal year is adopted by vote of the Association members.

5.4.1 Budgeting. Each year the Board shall prepare, approve, and make available to each Member a pro forma operating statement (budget) containing (a) estimated revenue and expenses on an actual basis; (b) the amount of the total cash reserves of the Association currently available for replacement or major repair of the Common Area and for contingencies; and (c) a general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement, or additions to major components of the Common Area. Notwithstanding that budgeting shall be done on an accrual basis, the Association's books shall be kept on a cash basis and the Association shall be a cash basis taxpayer, unless applicable governmental regulations require otherwise. The Board shall annually prepare and approve the budget and distribute a copy or summary thereof to each Member, together with written notice of the amount of the annual assessments to be levied against the Owner's Lot, within 30 days after adoption of such budget.

5.4.2 Allocation of Assessments. The total amount in the budget shall be divided by the total number of Lots and each Lot shall be assessed annually an amount which is equal to every other Lot.

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

5.5 Special Assessments. The Board and/or the Owners shall have the power to levy special assessments against an Owner or all Owners in the following manner for the following purposes:

5.5.1 Correct Deficit. To correct a deficit in the operating budget, by vote of a majority of the Board;

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

5.5.3 Repairs. To collect additional amounts necessary to make repairs or renovations to the Common Area if sufficient funds are not available from the operating budget or replacement reserve accounts, by vote of a majority of the Board; or

5.5.4 Capital Improvements. To make capital acquisitions, additions or improvements, by vote of at least 80% of all votes allocated to the Lots.

5.6 Reimbursement Assessments. The Association shall levy a reimbursement assessment against any Owner and such Owner's Lot if a failure to comply with this Declaration, Bylaws, Architectural Standards, or any Rules and Regulations has (a) necessitated an expenditure of

monies by the Association to effect compliance or (b) resulted in the imposition of a fine or penalty against such Owner or such Owner's Lot (a "Reimbursement Assessment"). A Reimbursement Assessment shall be due and payable to the Association when levied. A Reimbursement Assessment shall not be levied by the Association except on at least 10 days' written notice to the Owner being assessed. If, within said 10-day period, the Owner makes a written request to the Board for a hearing, a hearing shall be held. On request for a hearing, the Board shall conduct it not less than 10 nor more than 30 days after the request by the Owner, and shall make its decision within not more than 30 days after the hearing is held. If a notice has been previously given, and the hearing has already been held or waived (in writing or by the Owner's failure to appear) for the violation resulting in the Reimbursement Assessment, no additional notice and hearing is required before levying the Reimbursement Assessment.

5.7 Accounts.

5.7.1 Types of Records. Assessments collected by the Association shall be deposited into at least one account with a bank. A reserve account for long term repair of the Common Area as mentioned in *ORS 94.595* is not deemed to be appropriate.

5.7.2. Creation of Reserve Account Assessment. A Reserve Account may be established if initiated under the provisions of the Oregon Revised Statutes.

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

5.7.3 Current Operating Account. All costs may be paid from the Current Operating Account.

5.8 Default in Payment of Assessments, Enforcement of Liens.

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

5.8.2 Association Lien. The Association shall have a lien against each Lot for any assessment (of any type provided for by this Declaration or the Bylaws) or installment thereof that is delinquent. Such lien shall accumulate all future assessments or installments, interest, late fees, penalties, fines, attorney fees (whether or not suit or action is instituted), actual administrative costs, and other appropriate costs properly chargeable to an Owner by the Association, until such amounts are fully paid. Recording of the Declaration constitutes record notice and perfection of the lien. Said lien may be foreclosed at any time pursuant to the Planned Community Act. The Association shall record a notice of a claim of lien for assessments and other charges in the deed records of Klamath County Clerk, Klamath County, Oregon, before any suit to foreclose may be filed. The lien of the Association shall be superior to all other liens and encumbrances except property taxes and assessments, any first mortgage, deed of trust or land sale contract recorded before the Association's

notice of lien, and any mortgage or deed of trust granted to an institutional lender that is recorded before the Association's notice of lien.

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

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

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ARTICLE 6

GENERAL PROVISIONS

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

6.2 Indemnification of Directors, Officers, Employees, and Agents. The Association shall indemnify any Director, officer, employee, or agent who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by the Association) by reason of the fact that such person is or was a Director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action, or proceeding if such person acted in good faith and in a manner that such person reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to

believe that such person's conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner that such person reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe that such person's conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit, or proceeding as and when incurred, subject only to the right of the Association to reimbursement of such payment from such person, should it be proven at a later time that such person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a Director, officer, employee, or agent shall have a right of contribution over and against all other Directors, officers, employees, or agents and members of the Association who participated with or benefitted from the acts that created said liability.

6.3 Enforcement; Attorney Fees. The Association and the Owners and any mortgagee holding an interest on a Lot shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens, and charges now or hereinafter imposed by any of the provisions of this Declaration as may appertain specifically to such parties or Owners by any proceeding at law or in equity. Failure by either the Association or by any Owner or mortgagee to enforce any covenant, condition, or restriction herein contained shall in no event be deemed a waiver of their right to do so thereafter. In the event suit or action is commenced to enforce the terms and provisions of this Declaration (including without limitations, for the collection of assessments), the prevailing party shall be entitled to its actual administrative costs incurred because of a matter or event that is the subject of the suit or action, attorney fees and costs in such suit or action to be fixed

by the trial court, and in the event of an appeal, the cost of the appeal, together with reasonable attorney fees, to be set by the appellate court. In addition thereto, the Association shall be entitled to its reasonable attorney fees and costs incurred in any enforcement activity or to collect delinquent assessments, together with the Association's actual administrative costs, whether or not suit or action is filed.

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

6.5 Duration. The covenants, conditions, and restrictions of this Declaration shall run with and bind the land for a term of 35 years from the date this Declaration is recorded with the Klamath County Clerk, after which time they shall be automatically extended for successive periods of 10 years, unless rescinded by a vote of at least 90% of the Owners and 90% of the first mortgagees; provided, however, that amendments that do not constitute rescission of the planned community may be adopted as provided in Section 6.6 and that if any of the provisions of this Declaration would violate the rule against perpetuities or any other limitation on the duration of the provisions herein contained imposed by law, then such provision shall be deemed to terminate not later than 90 years after its creation.

6.6 Amendment. Except as otherwise provided in Section 6.5 or *ORS 94.590*, and the restrictions set forth elsewhere herein, this Declaration may be amended at any time by an instrument approved by not less than 75% of the total votes of all members that are eligible to vote. Any amendment must be executed, recorded, and certified as provided by law; provided, however, that no

amendment of this Declaration shall effect an amendment of the Bylaws or Articles without compliance with the provisions of such documents, and the Oregon Nonprofit Corporation Act.

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

1. Declaration;
2. Articles;
3. Bylaws;
4. Rules and Regulations.

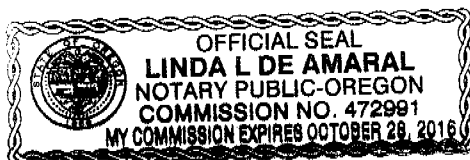
IN WITNESS WHEREOF, the President and Secretary of Country Green Association, Inc. has executed this instrument this 22nd day of October, 2013.

By: Michael Dennis Jace
President

By: Esther H. Hein
Secretary

STATE OF OREGON)
) ss.
County of Klamath)

This instrument was acknowledged before me on Oct 22nd, 2013, by Michael Dennis Jace as President and Esther Hein as Secretary of COUNTRY GREEN ASSOCIATION, INC.



Linda L. De Amaral
Notary Public for Oregon
My commission expires: 10/28/16



COUNTRY GREEN ASSOCIATION
6916 Hilyard Court
Klamath Falls, OR 97603

Date *July 26, 2007*

Dear Members of Country Green Association and Tenants:

The Covenant/By-Laws Committee of Country Green Association has been working on a process to fine flagrant violators of articles contained in Country Green's By-Laws and Declaration and has reached a resolution. It is to be noted that the Board of Directors of Country Green Association has received an opinion from Attorney Don Crane that ORS 94.630 provides for the imposition of such fines so long as a specific process is followed.

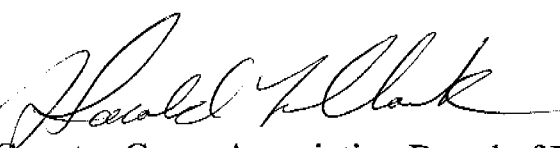
The need for this fines process has become apparent in recent years because of the number and nature of complaints received by members of Country Green's Board of Directors and because of the general concern that violations are leading to lowered property values and quality of life in Country Green.


THE ENCLOSED INFORMATION IS TO INFORM YOU, THEREFORE, OF EXAMPLES OF ACTIVITIES THAT COULD RESULT IN A FINE, STEPS IN THE FINE PROCESS, AND THE SCHEDULE OF FINES.

It is the hope of the Board of Directors and the members of the Covenant/By-Laws Committee that this process will alleviate concerns.

Members of Country Green Association are reminded to read the entire By-Laws and Declaration of the Association. Copies are available from Treasurer Jeannette Riffey, 7015 Turner Court, Klamath Falls, OR 97603, 884-5361.

Sincerely,

Tim Clark 
President, Country Green Association Board of Directors


Stuart Watson
Chairman, Covenant/By-Laws Committee
Country Green Association

COUNTRY GREEN ASSOCIATION
Klamath Falls, Oregon

EXAMPLES OF ACTIVITIES THAT COULD
RESULT IN A FINE

1. **Resident landscaping and maintenance responsibilities.**
Reference: Declaration Article VII, Section 4:: "All the owners must maintain their lots in a neat and clean manner, neatly landscaped in a manner approved by the Board of Directors of the Association or the Architectural Control Committee, and the Association reserves the right to furnish labor and materials of a lot at the cost of the Owner should the Owner fail to maintain said lot in the manner required by the Association."
2. **Abuse of the green areas, court parking areas, and right of ways, also known as the Common Properties.** The Board has received a number of complaints about trees and sprinklers being vandalized in the green areas and of objects being left in them, and of vehicles being parked in the courts in positions that block members' access to their driveways and make it difficult for snow plowing. Reference: By-Laws Article 8 Section 8.1 & 8.1.2 "Each member shall be entitled to use and enjoyment in the Common Properties and Facilities...."
3. **Annoying and offensive behavior.** The Board has received complaints about music and other noise so loud as to be annoying to neighbors. It has also received complaints about the use of pellet and BB guns and archery equipment, about members trespassing on other members' property, about children being unsupervised while at play, and about outdoor burning that creates offensive odors. Reference: Declaration Article 3, Section 3.6 "No noxious or offensive activity shall be carried on, on any of said lots, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood."
4. **Animals.** The Board receives frequent complaints about dogs barking excessively, about excrement not being removed from members' yards, and of dogs running loose. Reference: Declaration Article 3, Section 3.5 - , plus Declaration Article VII, Section 7. "...nor shall dogs be allowed to run at large.

**COUNTRY GREEN ASSOCIATION
Klamath Falls, Oregon**

STEPS IN THE FINE PROCESS

1. Individuals may, if so moved, discuss concerns directly with those they consider to be in minor violation of Country Green's By-Laws and Declaration.
2. If the above does not result in satisfaction, individuals are asked to fill out a complaint form (copy enclosed) and submit it to the Board of Directors of Country Green Association.
3. The Board of Directors or its designee will then ask the alleged violator(s) to appear before it. If considered necessary, the complaint will be further investigated. If the complaint is agreed with, the Board of Directors will contact the alleged violator(s) to ask in writing that the violation be corrected within a certain period of time.
4. If the violation is not corrected within the period of time allotted, the Board of Directors will levy a fine (schedule below), to be paid within a certain period of time.
5. If the fine is not paid within the allotted time, it will be added to the violator's Country Green Association assessment account.

**NOTE: IF CONCERNS ARE OF AN IMMEDIATE AND
THREATENING NATURE, PLEASE CALL 911 OR
CONTACT THE SHERIFF'S DEPARTMENT AT 884-4876
OR THE ANIMAL CONTROL OFFICE AT 882-1279.**

SCHEDULE OF FINES

First Offense-----Warning Letter
Second Offense (similar violation)-----\$75.00 Fine
Third Offense (similar violation)-----\$125.00 Fine
Subsequent Offenses (similar violation)-----\$225.00 Fine

Repeated violations of a similar nature are those that occur within a six-month period.