

AFTER RECORDING RETURN TO:

Vial Fotheringham LLP
17355 SW Boones Ferry Road, Suite A
Lake Oswego, OR 97035

GRANTOR: Holly Heights Home Owners Association

GRANTEE: Public

**AMENDED BYLAWS
of the
HOLLY HEIGHTS HOME OWNERS ASSOCIATION**

These Amended Bylaws of the Holly Heights Home Owners Association are adopted this 10 day of June, 2023 by the Holly Heights Home Owners Association ("Association").

RECITALS

- A. Holly Heights ("Community") is a planned community, located in Tillamook County, Oregon. The Community is governed by the following documents recorded in the Records of Tillamook County, Oregon:
1. *Declaration of Protective Covenants, Conditions and Restrictions for Holly Heights Subdivision*, recorded September 30, 1997, as Document No. 97362928 Book 390, Page 296 ("Declaration"), as amended.
 2. *Bylaws of the Holly Heights Home Owners Association*, recorded September 30, 1997, as Document No. 97362929 Book 390, Page 297 ("Bylaws").
- B. The purpose of the amendment is to make changes to the language of the Bylaws.
- C. The Amended Declaration of Protective Covenants, Conditions and Restrictions for Holly Heights Subdivision are being recorded concurrently with these amended Bylaws.
- D. Pursuant to Article VIII of the Bylaws, the Association hereby amends the Bylaws in their entirety. The Bylaws are replaced and superseded by these Amended Bylaws of the Holly Heights Home Owners Association, that read as set forth below.

ARTICLE I
Introduction

1.1 Name and Location. These are the Bylaws of the Holly Heights Home Owners Association (herein "Association"). The Association is located in Tillamook County, Oregon, and a Declaration of Protective Covenants, Conditions, and Restrictions for Holly Heights Subdivision (herein "Declaration") and Plat have been filed simultaneously herewith. The Association is exempt from the provisions of ORS 94.550 to 94.783 pursuant to the deminimis exception of ORS 94.570(2).

1.2 Purposes. The Association is formed to serve as the means through which the Lot Owners may take action with regard to administration, management, and operation of the subdivision

1.3 Applicability of Bylaws. The Association, all Lot Owners, and all persons residing within or otherwise using the Property shall be subject to these Bylaws and to all rules and regulations which may be promulgated hereunder.

1.4 Composition of the Association. The Association shall be composed of all the Lot Owners in the subdivision.

1.5 Establishment of Association. The Association was established by the filing of Articles of Incorporation with the Oregon Secretary of State.

ARTICLE II
Voting

2.1 Voting. The owner or owners of each lot shall be entitled to one vote in the election of the Board of Directors, and to vote in any other matter designated in these Bylaws or in the Declaration as requiring Owner approval.

2.2 Determination of Membership in the Association. Upon recordation of a conveyance of, or contract to convey, a Lot, the grantee or purchaser named in such conveyance or contract shall automatically be a member of the Association and shall remain a member of said Association until such time as such person's ownership ceases for any reason. Lot ownership shall be determined, for all purposes of the Declaration and these Bylaws, and the administration of the property, from the record of lot ownership maintained by the Association. The record shall be established by the Owner filing with the Association a copy of the deed or land sale contract for his Lot, to which shall be affixed the certificate of the recording officer of Tillamook County, Oregon, showing the date and place of recording of such deed or contract.

2.3 Proxies. A vote may be cast in person or by proxy. A proxy given by a Lot Owner to any person who represents such Owner at meetings of the Association shall be in writing and signed by such Owner and shall be filed with the secretary of the Association, whichever is applicable. No proxy shall be valid after the meeting for which it was solicited, unless otherwise expressly stated in the proxy, and every proxy shall automatically cease upon sale of the Lot by its Owner. An Owner may pledge or assign his voting rights to a mortgagee. In such a case, the

mortgagee or its designated representative shall be entitled to receive all notices to which the Owner is entitled hereunder and to exercise the Owner's voting rights from and after the time that the mortgagee shall give written notice of such pledge or assignment to the Board of Directors. Any first mortgagee may designate a representative to attend all or any meetings of the Association.

2.4 Fiduciaries and Joint Owners. An executor, administrator, guardian, or trustee may vote in person, or by proxy, or by electronic means at any meeting of the Association with respect to any Lot owned or held by him in such capacity, whether or not the same shall have been transferred to his name; provided, that he shall satisfy the secretary that he is the executor, administrator, guardian, or trustee holding such Lot in such capacity. 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 completely in determining the proportion of votes given with respect to such matter.

2.5 Landlords and Contract Vendors. Unless otherwise expressly stated in the rental agreement or lease, all voting rights allocated to a Lot shall be exercised by the landlord if the rental agreement or lease has an original term of ten (10) years or less, or by the tenant if the rental agreement or lease has an original term of more than ten (10) years. Unless otherwise stated in the contract, all voting rights allocated to a Lot shall be exercised by the vendor of any land sale contract on the Lot.

2.6 Quorum of Lot Owners. At any meeting of the Association, members holding thirty-five percent (35%) of the voting rights present in person or by proxy, shall constitute a quorum. The subsequent Joinder of an Owner, in the action taken at a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such person for the purpose of determining a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of an Owner or Owners. If any meeting of members cannot be organized because of a lack of quorum, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

2.7 Majority Vote. The vote of the holders of more than fifty percent (50%) of the voting rights present, in person, or by proxy, at an Association meeting at which a quorum is constituted shall be binding upon all Lot Owners of the Association except where a higher percentage vote is required by law, by the Declaration, or by these Bylaws.

ARTICLE III Meetings of the Association

3.1 Place of Meeting. The Association shall hold meetings at such suitable place convenient to the Lot Owners as may be designated by the Board of Directors from time to time.

3.2 Special Meetings. Special meetings of the Board of Directors of the Association may be called by the respective president or secretary or by a majority of the Board of Directors and must be called by such officers upon receipt of a written request from at least thirty percent (30%) of the Lot Owners within the applicable Property, stating the purpose of the meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice.

3.3 Notice of Meetings. Notice of all meetings of the Association stating the time and place and the object for which the meeting is being called, shall be given by the president or secretary. All notices shall be in writing and mailed to each Lot Owner at his address as it appears on the books of the Association and to any first mortgagee requesting such notice not less than ten (10) days nor more than fifty (50) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of the meetings may be waived by any Lot Owner before or after meetings. When a meeting is adjourned for less than thirty (30) days, no notice of the adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

3.4 Order of Business. The order of business at annual meetings of the Association shall be:

- (a) Calling of the roll and certifying of proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees, if any;
- (f) Election of directors;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

ARTICLE IV Board of Directors

4.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, all of whom must be an Owner or the co-owner of a Lot within the Property, or an authorized representative of an entity which owns a Lot.

4.2 Power and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the Owners.

4.3 Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors of the Association, depending on their respective powers and duties, shall have authority to carry out and be responsible for the following matters:

- (a) Care, upkeep, and supervision of any Common Property (Tract A and B, the pedestrian easement on Lot 19, the storm drainage detention pond and private road easement); and assigning, supervising assignments, or approving any assignment of the use of any Common Property as may be required by the Declaration.
- (b) Designation and collection of yearly assessments from the Owners in accordance with these Bylaws and the Declaration. In no event may the Board of Directors waive any assessment obligation, and the Board shall take prompt action in the collection of assessments.
- (c) Payment of all common expenses of the Association and institution and maintenance of a voucher system for payment, which shall require a sufficient number of Signatories thereon as may be reasonably necessary to prevent any misuse of the Association's funds.
- (d) Designation and dismissal of the personnel necessary for the maintenance and operation of Common Property, if any,
- (e) Subject to the limitations of the Declaration, leasing, subleasing, or hypothecation in any manner of the Common Property, if any, of the Association which have or may have any income producing potential.
- (f) Promulgation and enforcement of rules of conduct for Lot Owners, employees, and invites which shall be consistent with the restrictions set out in Article VI of these Bylaws.

4.4 Election and Term of Office. A Board of Directors shall be elected at the annual meeting of the Association. Directors shall hold office for a term of three (3) year or until their respective successors have been elected by the Lot Owners. Election shall be by plurality of the votes cast.

4.5 Vacancies. Vacancies on a Board of Directors, caused by any reason other than the removal of a director by a vote of the Association lot owners, 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; and each person so elected shall be a director until a successor is elected upon expiration of the term for which such person was elected by the other directors to serve.

4.6 Removal of Directors. At any legal annual or special meeting, other than a meeting by ballot, any one or more of the directors may be removed, with or without cause, by a majority of the Lot Owners, and a successor may be then and there elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners may be given an opportunity to be heard at the meeting.

4.7 Regular and Special Meetings. Board meetings shall be held at a minimum of once each year and at least once during the second calendar quarter of each calendar year. Special meetings of a Board of Directors may be called by the President and must be called by the secretary at the written request of at least two (2) directors. Notice of any special meeting shall be given to each director, personally, by mail, email, telephone, or telegraph, at least seven

(7) days prior to the day named for such meeting and shall state the time, place, and purpose of such meeting. All Board meetings, other than executive sessions, shall be open to Lot Owners and may be conducted in-person or electronically. Only emergency meetings of the Board of Directors may be conducted by telephonic communication. **The Board may meet in executive session (without the other owners present) in order to consult with attorneys or to consider personnel matters, negotiation of contracts with third parties and collection of assessments.**

4.8 Board of Directors Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transactions of business and the acts of the majority of the directors present or participating in such meeting shall be the acts of that Board of Directors. If, at any meeting of a Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.9 Compensation of Directors. No director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by a vote of the Lot Owners.

4.10 Liability and Indemnification of Directors, Officers, Manager, or Managing Agent. The directors and officers shall not be liable to the Association for any mistake of judgment, negligence, or otherwise except for their own willful misconduct or bad faith. The Association shall indemnify and hold harmless each director and officer and the manager or managing agent, if any, against all contractual liability to others arising out of contracts made by the Board of Directors, officers, manager, or managing agent on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws. Each director and officer and the manager or managing agent, if any, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees reasonably incurred or imposed upon them in connection with any proceeding to which they may be a party or which they may become involved, by reason of being or having been a director, officer, manager or managing agent and shall be indemnified upon any reasonable settlement thereof; provided, however, there shall be no indemnity if the director, officer, manager, or managing agent is adjudged guilty of willful nonfeasance, misfeasance, or malfeasance in the performance of his duties.

4.11 Insurance. The Association Board of Directors shall obtain the insurance required in Article VII of these Bylaws. In addition, the Association Board of Directors, in its discretion, may obtain such other insurance as it deems necessary to protect the interests of the Association or Lot Owners.

ARTICLE V Officers

5.1 Designation. The principal officers of the Association and Board of Directors shall be a President, a secretary, and a treasurer, all of whom shall be elected by the Lot Owners.

5.2 Appointment. Officers shall be appointed by a majority vote of the Board at the annual board meeting immediately following the election of Board of Directors or any Board of Directors' meeting thereafter and shall hold office at the pleasure of that Board of Directors. The following Officers shall be appointed: President, Treasurer, and Secretary.

5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors any officer may be removed, either with or without cause, and his successor elected at any regular or special meeting of that Board of Directors.

5.4 President. A president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He 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 he may in his discretion decide is appropriate, and to assist in the conduct of the affairs of the Association. The president shall be entitled to one vote at Board of Directors meetings.

5.5 Secretary. A secretary shall keep the minutes of all meetings of the respective Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary. The secretary shall be required to be a Director or Owner and shall be entitled to one vote at Board of Directors meetings.

5.6 Treasurer. A treasurer shall have responsibility for the Association's 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, He 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 of Directors. The treasurer shall be required to be a Director or an Owner and be entitled to one vote at Board of Directors meetings.

ARTICLE VI Maintenance of the Property

6.1 Maintenance and Repair. After the Turnover Meeting, and except as otherwise provided herein for damage or destruction caused by casualty, all maintenance, repairs, and replacements to Tracts A and B; the pedestrian easement located on Lot 19; and storage drainage from individual lots to the storm drainage detention pond shall be made by the Association and shall be charged to all Lot Owners as a common expense, except for the owner of Lot 20, which does not have access to Tracts A and B. Said costs shall be assessed annually by the Association unless a special assessment is necessary.

6.2 Reserve Account. The Association shall establish a reserve account for maintenance, repair and replacement of the private road pursuant to the private road easement agreement, Book 390, Page 104, Tillamook County. Said account shall be funded by assessments against the individual lots, except for Lot 20 which does not have access to the private street, for

maintenance items for which the reserves were established. The assessments under this subsection began accruing from the date of the turnover meeting enumerated herein.

(a) The reserve account shall be established in the name of the Association. The Association shall be responsible for administering the account, for making periodic payments into it, and for adjusting the amount of the payments at regular intervals to reflect changes in current replacement costs over time. The account may be used only for repair, maintenance and replacement of the private road easement and is to be kept separate from assessments for maintenance of Tracts A and B.

(b) Assessments paid into the reserve account are the property of the Association and are not refundable to sellers or owners of lots. The sellers or owners of lots may treat their outstanding share of the reserve account as a separate item.

6.3 Sale of Property. The Association may not sell, convey or subject to a security interest any portion of the private road easement or any portion of Tracts A and B. This prohibition does not apply to granting of easements for public utilities or other public purposes consistent with the intended use of the private road easement or Tracts A and B.

ARTICLE VII Insurance

7.1 Insurance. For the benefit of the Association and Lot Owners, the Association Board of Directors shall obtain and maintain at all times, and shall pay for out of its common expense funds, the following insurance:

(a) Comprehensive general liability Insurance policy or policies insuring the Declarant, the Association, the Association Board of Directors, the Lot Owners, and any managing agent against liability to the public or to Lot Owners and their invites or tenants, incident to the ownership or use of the Property and private road. There may be excluded from such policy or policies coverage of a Lot Owner (other than as a member of the Association or the Boards of Directors) for liability arising out of acts or omission of such Lot Owner and liability incident to the ownership and/or use of the part of the property as to which such Lot Owner has the exclusive use or occupancy. Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) on a combined single limit basis. Such policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsement wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured.

(b) Each Owner shall be responsible for obtaining, at his own expense, full replacement coverage insurance for his Lot and Improvements thereon not insured under paragraph (a) above. An Owner may be required to provide a copy of such policy, or a certificate thereof, to the Association Board of Directors upon written request by the Board of Directors. In the event of any damage to a Lot or the Improvements thereon, the Owner must restore the Lot and Improvements thereon within a period of time to be set by the Committee.

7.2 Policies. Insurance obtained by the Association shall be governed by the following provisions:

(a) All policies shall be written with the State of Oregon or a company licensed to do business in the State of Oregon and holding a Commissioner's rating of "A" and a size rating of "AAA" or better by the Best's Insurance Reports, current at the time the insurance is written or prior to the Turnover Meeting of the Association, one acceptable to the Declarant.

(b) All losses under policies hereafter in force regarding the property shall be settled exclusively with the Association Board of Directors or its authorized representative. Proceeds of the policies shall be paid to the Association as trustee for the Lot Owners, or upon demand of any mortgagee, to an insurance trustee acceptable to the Association and mortgagees of Lots.

ARTICLE VIII Amendments to the Bylaws

8.1 How Proposed. Amendments to the Bylaws shall be proposed by either a majority of the Association Board of Directors or by Lot Owners holding thirty percent (30%) of the voting rights. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon.

8.2 Adoption. Amendments may be approved by the Association at a duly constituted meeting or ballot meeting conducted for such purpose. A vote of a majority of Lot Owners is required for the approval of any amendment of these Bylaws, except those items appearing in Section 8.3 below.

8.3 Restricted Amendments. No amendments which relate to the maintenance of the private road shall be allowed without the express consent of the Owner of the Holly Heights Ave. Any amendment to the maintenance of Tracts A and B shall require the express written consent of the Tillamook County Planning Director. All other amendments to the CC&Rs will require seventy-five percent (75%) vote of all Lots (one vote per lot).

8.4 Execution and Recording. An amendment shall not be effective until certified by the Association president and secretary, approved by the Real Estate Commissioner if required by the law, and recorded as required by law.

ARTICLE IX Records and Audits

9.1 General Records. The Board of Directors shall keep detailed records of the actions of the Board of Directors; minutes of the meetings of the Board of Directors; and minutes of the meeting of the Association. The Board of Directors shall maintain a Book of Resolutions containing the rules, regulations, and policies adopted by the Association or Board of Directors. The Association Board of Directors shall maintain a list of owners entitled to vote at Association

meetings and a list of all mortgagees of Lots. The Association shall maintain a record of those lot owners entitled to vote.

9.2 Records of Receipts and Expenditures. The Board of Directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Property under its Jurisdiction; itemizing the maintenance and repair expenses of the Common Property and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the Lot Owners and mortgagees during normal business hours.

9.3 Assessment Roll. The assessment roll shall be maintained 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 Owners, the dates and amounts in which the assessment comes due, the amounts paid upon the account, and the balance due on the assessments.

9.4 Payment of Vouchers. The Treasurer shall pay all vouchers up to \$500.00 (\$500.00) signed by the president, or other person authorized by the Board of Directors. Any voucher in excess of \$500.00 shall require the signature of the President.

9.5 Reports and Audits. An annual report of the receipts and expenditures of the Association and a balance sheet showing assets and liabilities shall be rendered by the Board of Directors to all applicable Lot Owners and to all mortgagees of Lots within ninety (90) days after the end of each fiscal year who request the same in writing. From time to time the Board of Directors, at the expense of the Association as appropriate, may obtain an audit of the books and records pertaining to the Association and furnish copies thereof to the Owners and such mortgagees. At any time any Owner or mortgagee may, at his own expense, cause an audit or inspection to be made of the books and records of the Association.

9.6 Inspection of Records by Lot Owners. The Association shall maintain all of the documents. These and all other records of the Association shall be reasonably available for examination by a Lot Owner and any mortgagee of a Lot. Upon written request, the Association shall make available for duplication any such records. The Association may charge a reasonable fee for furnishing copies of any documents, information, or records described in this section.

ARTICLE X Miscellaneous

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

10.2 Waivers. No restriction, condition, obligation, or provision contained in these Bylaws or rules and regulations adopted pursuant hereto shall be deemed to have been abrogated

or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

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

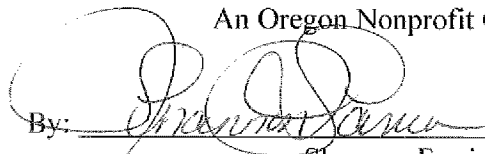
10.4 Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws. As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall 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.

10.5 Conflicts. These Bylaws are intended to comply with the Declaration. In case of any irreconcilable conflict the Declaration shall control over these Bylaws or any rules and regulations adopted hereunder.

THEREFORE, Holly Heights Home Owners Association hereby adopts these amended Bylaws and certifies that they will be recorded in Tillamook County.

DATED: June 19, 2023.

HOLLY HEIGHTS HOME OWNERS ASSOCIATION
An Oregon Nonprofit Corporation

By: 
Shannon Farrier, President

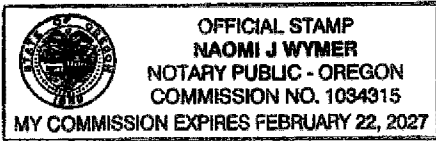
By: 
Rhonda Walker, Secretary

CERTIFICATION

The undersigned President and Secretary of the Holly Heights Home Owners Association, an Oregon nonprofit corporation, hereby certify that this foregoing Amended Bylaws were adopted in accordance with the Declaration, Bylaws and pursuant to ORS 94.550-94.783.

STATE OF OREGON)
) ss.
County of Tillamook)

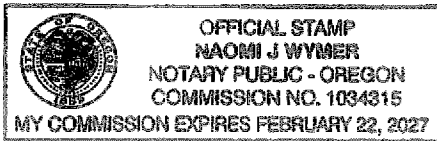
The foregoing instrument was acknowledged before me this 19 day of June, 2023, by Shannon Farrier, **President of Holly Heights Home Owners Association**, an Oregon nonprofit corporation, on its behalf.



Naomi J Wymer
Notary Public for Oregon

STATE OF OREGON)
) ss.
County of Tillamook)

The foregoing instrument was acknowledged before me this 19 day of June, 2023, by Rhonda Walker, **Secretary of Holly Heights Home Owners Association**, an Oregon nonprofit corporation, on its behalf.



Naomi J Wymer
Notary Public for Oregon