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Lane County Deeds & Records

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# DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR A20TH ROWHOUSE SUBDIVISION

THIS DECLARATION made on the date hereinafter set forth by A20TH ROWHOUSE LLC, an Oregon limited liability company, hereinafter referred to as "Declarant".

# **RECITALS:**

A.

Declarant is owner of the property known as the A20th Rowhouse Subdivision in Lane County, Oregon, and more particularly described as: Lots 1 through 12, Lot A, Lot B, and Lot C of A20th Rowhouse Subdivision, as platted and recorded in Lane County Deeds and Records, Reception No. 2022-001858, Lane County, Oregon (the "Plat").

В.

Declarant has created a nonprofit corporation called A20th Rowhouse Homeowners Association, hereinafter called "the Association," governed by a board of directors, hereinafter called "the Board," to own and maintain the common areas of A20th Rowhouse Subdivision, hereinafter called, collectively, "the Common Area," maintain certain other elements of the A20th Rowhouse Subdivision, and appoint an Architectural Review Committee, hereinafter called "the Committee," to review plans and specifications of buildings, landscape and planning for A20th Rowhouse Subdivision.

C.

Declarant deems it desirable in furtherance of the purposes set out herein to establish these covenants and restrictions which shall apply to all real property contained in A20th Rowhouse Subdivision, hereinafter called, "A20th," which Declarant intends to develop as a Class II planned community.

#### AGREEMENTS:

Declarant declares that A20th shall be held, sold and conveyed subject to the Oregon Planned Community Act as may be amended from time to time (ORS 94.550–94.783, except ORS 94.595 and ORS 94.604) and subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with,

A20th and be binding on all parties having any right, title or interest in A20th or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner.

#### ARTICLE I

### **Definitions**

<u>Section 1 – "A20th"</u>: Shall mean and refer to that certain real property described in Recital A above.

<u>Section 2 – "Bylaws"</u>: Shall mean The Bylaws of A20th Rowhouse Homeowners Association, attached hereto as Exhibit A.

Section 3 – "Common Area": Shall mean Lot A, Lot B, and Lot C, as shown on the Plat.

Section 4 – "Commonly Maintained Property": Shall mean (i) the structural components of the rowhouses on the Lots, including the roofs and gutters, (ii) exterior surfaces, including painting, of the rowhouses on the Lots, (iii) all landscaping and fencing on the Common Areas and Lots, and (iv) the Private Street, Private Access and Private Facilities, as defined in that certain Private Access and Utility Easement Maintenance Agreement recorded in Lane County Deeds and Records, Reception No. 2022-001859, Lane County, Oregon. Notwithstanding the foregoing, Party Walls are not Commonly Maintained Property for the purposes of this Declaration.

Section 5 – "Lot": Shall mean and refer to Lots 1 through 12 shown on the Plat.

<u>Section 6 – "Owner"</u>: Shall mean and refer to the record owner, including contract purchasers, whether one or more persons or entities, of the fee simple title to any Lot, but excluding those having such interest merely as security for the performance of an obligation.

#### ARTICLE II

## The Association

Section 1 – Ownership and Membership: Each Owner shall be a member of the Association. The Association shall be governed by the Bylaws. Each Owner shall have a nonexclusive right and easement of use and enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot. Such easement is subject to ORS 94.665, as may be amended from time to time. 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. There shall be no judicial partition of the Common Area. Title to each Lot in A20th shall be conveyed in fee to an Owner. If more than one person or entity owns an undivided interest in the same Lot, such persons or entities shall constitute one Owner. Title to the Common Area shall be conveyed to the Association within thirty (30) days after the turnover meeting.

<u>Section 2 – Common Profits and Expenses</u>: The assessments levied by the Association shall be used exclusively for the maintenance, repair, replacement and upkeep of the Common Area and Commonly Maintained Property, and for property and liability insurance. Liability for common

expenses and the right to common profits shall be determined based on the number of Lots, each Lot sharing equally.

Section 3 – Covenants to Pay: Each Owner covenants and agrees to pay the Association the assessments and any additional charges levied pursuant to this Declaration or the Bylaws.

<u>Section 4 – Annual Assessments</u>: Annual assessments for each fiscal year shall be established by the Board. Annual assessments shall be payable on a periodic basis, not more frequently than monthly, as determined by the Board.

<u>Section 5 – Special Assessments</u>: The Board shall have the power to levy special assessments against an Owner or all Owners (i) to correct a deficit in the operating budget, by vote of a majority of the Board; (ii) 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; or (iii) to collect additional amounts necessary to maintain, repair or replace the Common Area and Commonly Maintained Property if sufficient funds are not available from the operating budget.

<u>Section 6 – Commonly Maintained Property</u>: All Owners acknowledge that the Lots are improved with rowhouse, each with at least one Party Wall, and that the value of each Lot is materially affected by the condition and appearance of the Commonly Maintained Property. Accordingly, the Association will maintain, repair, and replace the Commonly Maintained Property as provided in this Declaration.

#### ARTICLE III

# **Architectural Review Committee**

Section 1 – Design Review: There is hereby created the Architectural Review Committee ("the Committee") for A20th. Until the turnover meeting, the Declarant shall be the sole member of Committee. Following the turnover meeting, the Board shall elect by majority vote not less than two, nor more than three members of the Committee. Members of the Committee need not be Owners. The decision of any two members of the Committee shall be binding, and a majority of the Committee may designate a representative member to act for the Committee. Members of the Committee shall serve until they resign or are replaced by a majority vote of the Board. If the Board fails to elect a Committee, the Board shall serve as the Committee. No construction, construction preparation, building, fence, wall, hedge, heat pump, antennae, awning, screen, trellis, satellite dish or other structure, including, without limitation, any improvement or fixture, shall be commenced, installed or erected on any Lot; nor shall any exterior addition to, or change or alteration therein, be made to any existing structures, improvements or fixtures; nor shall any grading or landscaping of any Lot be commenced or altered; until all complete and detailed plans therefore have been submitted and approved in writing by the Committee.

<u>Section 2 – Failure to Obtain Approval</u>: In the event that any Owner or contractor fails to obtain such approval as provided herein, the Board shall have the right to require the Owner of the Lot upon which the unapproved improvement is placed to remove said improvement, and shall have all enforcement rights provided by law, including the right to pursue injunctive relief.

<u>Section 3 – Exceptions</u>: Notwithstanding anything to the contrary in this Article III, no approval shall be required to refinish an exterior surface in accordance with the original color scheme or a

color scheme previously approved in writing by the Committee; or to rebuild an improvement in accordance with the original plans or in accordance with plans previously approved in writing by the Committee; and nothing contained in this Section shall limit the right of an Owner to remodel the interior of their living unit or to paint the interior of the living unit any color desired, except with regard to noise abatement and reasonable restrictions on time and method of such activities to protect the health, safety and welfare of other Owners.

<u>Section 4 – Approval Process</u>: The Committee shall make a reasonable effort to review plans and specifications and notify the Owner of approval or disapproval as soon as is practicable. In the event the Committee fails to approve or disapprove plans and specifications in writing within 30 days after all information requested by the Committee in connection with the application has been submitted, the Committee's approval shall be deemed given.

Section 5 – Limitation of Liability: Notwithstanding the approval by the Committee of any construction plans and specifications hereunder, or its inspection of the work in progress, or failure to do so, neither the Committee, the Board, the Association, the Declarant, nor any person acting on behalf of any of them, shall be responsible or liable to any Owner or any third party in any way, for any defects in any plans, specifications or other materials submitted to the Committee: nor for any defects in any work done pursuant thereto; nor for any noncompliance with building codes or applicable law, governmental ordinances and regulations. The Owner whose plans and specifications were approved shall defend, indemnify, and hold the Committee, the Board, the Association, the members thereof, and Declarant harmless from any and all liability arising out of, regarding or pertaining to such construction, regardless of description; including without limitation the duty to so indemnify for all reasonable attorneys' fees and costs incurred in defense, and regardless of whether Court proceedings occur.

## <u>ARTICLE IV</u>

# **Use Restrictions and Maintenance Obligations**

Section 1 - Use of Lot: No Lot shall be occupied and used except for residential purposes by the Owners, their tenants and social guests; and no trade or business or commercial activity shall be conducted therein that, in the reasonable discretion of the Board, would or could interfere with the quiet enjoyment by other Owners of their living units.

No tent, shack, trailer, camper, recreational vehicle garage, outbuilding or structure of a temporary character shall be used on any Lot at any time as a dwelling, either temporarily or permanently. No overnight camping on any Lot shall be permitted with or without the use of temporary structures. Nothing herein shall prohibit a contractor's tool house (or privy) and equipment being used during approved construction, provided it is removed at the earliest practical date.

<u>Section 2 – Nuisances</u>: No noxious or illegal activities shall be carried on or upon any Lot, or any part of A20th, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to any Owner, or which may in any way interfere with the quiet enjoyment of each of the Owners of their respective Lot(s).

<u>Section 3 – Vehicle Restrictions and Towing</u>: An Owner shall park their car, pickup, or other passenger vehicle within the confines of the Owner's garage or driveway. An Owner may not park

or permit to be parked a boat, trailer, camper, or other recreational vehicle, commercial vehicle or truck (other than a standard size pickup truck or standard size van) on any portion of the Lot, other than in the driveway on a temporary basis for loading and unloading purposes or servicing the home or grounds. No disabled vehicles, vehicles that are on blocks, or vehicles that are in disrepair or unsightly shall be parked in any portion of A20th. No vehicle or equipment of any kind shall be parked or stored in the Common Area. No noisy or smoky or unlicensed motor vehicles shall be operated in A20th.

The Board may cause the removal of any vehicle parked or stored in violation of this Section, including without limitation a vehicle owned by an Owner or guest. The Board shall not be liable for any damages incurred by the vehicle owner because of removal in compliance with this Section or for any damage to the vehicle caused by the removal, and the responsible Owner shall indemnify and hold the Board and the Association harmless from any claim of damages resulting from Board action under this Section, including, without limitation, indemnity for reasonable attorneys' fees and costs incurred in defense of such claims.

<u>Section 4 – Garages</u>: Garage space may not be converted into any use (such as a recreational room or storage) that would prevent its use as a parking space for the number of vehicles it was designed to contain.

Section 5 - Signs: No exterior signs of any kind or for any purpose shall be permitted on any portion of a Lot except as follows: (a) Owners may exhibit "for sale" signs; and (b) each Owner may display one sign (not exceeding 1.5 square feet in size) showing the name and address of the Owner so long as such signs and their location have been approved by the Committee.

<u>Section 6 – Animals</u>: No animals of any kind shall be raised, bred, or kept on any Lot for any commercial purposes. An Owner may keep a reasonable number of common domestic pets, provided that, they are kept under reasonable control at all times. No chickens, bees or other animals are allowed.

Section 7 – Garbage and Refuse Disposal: All rubbish, trash and garbage shall be regularly removed from the Lots, and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall only be kept in sanitary containers; the Board may adopt Rules and Regulations from time to time specifying the type, form and color of such containers. All equipment and receptacles for the storage or disposal of such materials shall be kept in a clean and sanitary condition, and shall be screened from view of other Lots and streets by being kept in the garage or enclosures which are accessible from the outside, and which match the color and materials of the exterior of the living unit. No toxic or hazardous materials shall be disposed of down the drains, or otherwise. The cost of all disposal of hazardous materials shall be borne by the Owner(s) creating the need for disposal, and such disposal shall be only done in the manner provided by law.

<u>Section 8 – Outside Laundering</u>: No outside drying of laundry which is visible from other Lots or streets shall be allowed.

# Section 9 - Maintenance of Lots:

Owner's Obligations: Each Owner shall keep, at all times, the exterior of all structures and improvements on their Lot in clean and sanitary condition, and shall maintain the Lot free of debris

and unsightly objects. All material, equipment, or other objects (including firewood) stored on the Lot shall be stored within a building, except during the course of construction of an improvement. If any Owner fails to comply with this Section the Board may, after giving the Owner at least 30 days' prior written notice, cause the Lot to be brought into compliance and assess the actual cost thereof to the Owner, which assessment shall be due and payable on demand.

Association's Obligations: See Section 11 below.

Section 10 – Party Walls: Each wall that is built as part of the original construction of the A20th that is placed on the boundary line between two Lots shall constitute a "Party Wall." The Party Wall shall consist of the studs, blocking, insulation, cement, and airspace located between the wallboard of one home and the wallboard of the adjoining home. It shall not consist of the wallboard, paneling, sheetrock, tiles, wallpaper, and paint located on the interior sides of the Party Wall. General rules of law regarding party walls shall apply to the Party Wall to the extent that such rules are consistent with the provisions hereof. Each Owner shall provide the adjacent Owner with reasonable notice of any repair or maintenance to the Party Wall that such Owner believes the Party Wall reasonably needs ("Party Wall Work"). Both Owners shall agree on all such Party Wall Work before any Party Wall Work commences, and shall share equally the cost of such Party Wall Work; provided that any damage to a Party Wall caused by an Owner, or such Owner's contractors, agents or invitees, shall be repaired at the expense of such Owner.

Section 11 – Maintenance of Common Area and Commonly Maintained Property: The Association shall be responsible for maintenance, repair, replacement, and upkeep of the Common Area and Commonly Maintained Property at the equal expense of the Owners of the Lots, except as expressly set forth in this Declaration or the Bylaws. As provided in ORS 94.665, the Association may sell, dedicate, transfer, grant a security interest in, or grant an easement for installation and maintenance of utilities or for similar purposes with respect to, any portion of the Common Area. The Association's obligations include but are not limited to those set forth in this Section 11. If an Owner fails to comply with this Section, the Board may, after giving the Owner at least 30 days' prior written notice, cause the Lot to be brought into compliance and assess the actual cost thereof to the Owner, which assessment shall be due and payable on demand.

<u>Structural Components</u>: Structural, roof and gutter maintenance, repair and replacement shall be performed by a qualified contractor engaged by the Association. Each Owner shall provide written notice to the Association immediately upon learning of any structural, roof or gutter issue.

<u>Exterior Surfaces</u>: Maintenance, repair and replacement of exterior surfaces, including painting, of the rowhouses on the Lots shall be performed by a qualified contractor engaged by the Association. The Board shall determine in the Board's reasonable discretion when exterior painting is necessary.

<u>Landscaping</u>: Landscaping maintenance, including irrigation system and repair, shall be performed by a common landscaping service engaged by the Association. Each Owner shall ensure that the sprinkler system for that Lot is regularly operated as designated by the maintenance service to adequately irrigate that Lot. No new trees or shrubs shall be planted or placed on any Lot which obstruct or unreasonably diminish the view or solar access of any other Owner.

<u>Fencing</u>: Maintenance, repair and replacement of all fencing at A20th shall be performed by a qualified contractor engaged by the Association.

<u>Private Wastewater Sewers</u>: Except as otherwise provided in a written agreement specific to a certain Lot or utility line or facility, maintenance, repair and replacement of (i) any private utility lines or facilities, any portion of which is located within any Common Area, at the expense of the Owner of the Lot served by the line requiring maintenance, repair or replacement, and (ii) any private utility lines or facilities which serve more than one Lot.

<u>Private Street</u>: The Association shall maintain, repair and replace the shared private street (Civic Drive) within Lot C.

<u>Damage</u>: Notwithstanding anything to the contrary contained herein, any damage to the Common Area or Commonly Maintained Property caused by an Owner, or such Owner's contractors, agents or invitees, shall be repaired by the Association at the expense of such Owner.

<u>Section 12 – Utilities and Utility Easements</u>: Easements and right-of-ways for installation and maintenance of utilities, facilities, and signage, are shown on the recorded plat, or otherwise recorded in the Official Records of Lane County, Oregon.

<u>Section 13 – Placement of Utilities</u>: Declarant discloses to all Owners that the placement of all utility lines and equipment, including meters, hydrants, conduit and piping, is up to the sole discretion of the utility installing such equipment, and that placement may not be centered within easements, or on lot corners or boundaries. Owners are advised that they cannot rely on placement of such equipment to delineate boundaries of Lots or easements.

<u>Section 14 – Rules and Regulations</u>: 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 as it may deem necessary or appropriate to assure the peaceful and orderly use and enjoyment of A20th and the administration and operation of the Association.

<u>Section 15 – Rental</u>: An Owner may rent or lease such Owner's Lot or the improvements thereon, provided that the Owner and the tenant enter into a written rental or lease agreement specifying that (i) the tenant shall be subject to all provisions of the Declaration, Bylaws, and Rules and Regulations, (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; (iii) the period of the rental or lease is not less than one (1) year; and (iv) the Owner gives each tenant a copy of the Declaration, Bylaws, and Rules and Regulations.

### ARTICLE V

### Enforcement

Section 1 - Fines: A20th has a narrow common driveway. It is critical that Owners, their contractors and all guests comply at all times with the parking provisions set forth in this Declaration or traffic to other Lots will be blocked and/or driveways will be blocked. It is not feasible on a continuing basis to enforce these parking regulations through judicial relief such as injunctions. Because it is critical to enforce these regulations, the Board is granted the authority to impose monetary fines on Owners for any breach of this Declaration by the Owner or by any

contractor or guest of the Owner. As an example, the Board has the authority to levy fines for violation of the parking regulations. The Board is empowered to determine the amount of the fine. It is expected, for example, that isolated violations would incur a fine approximately equal to the fine then charged by the City of Eugene for illegal parking such as parking in a fire zone. However, the Board is empowered to increase the amount of the fine for repeat, long-term or continuing instances of violation. All fines are deemed assessments upon the Lot.

<u>Section 2 – Lien</u>: Each Owner is deemed to covenant and agree to pay all assessments and other amounts levied by the Board upon that Owner or upon that Owner's Lot. All of the same constitute a lien upon the Lot of that Owner. Such lien may be reduced to writing, executed by a member of the Board, and filed as allowed by Oregon law, as well as foreclosed in the manner as allowed by Oregon law. Oregon law is currently set forth in ORS 94.704, et seq. as hereafter amended. Each such assessment, together with interest thereon at the rate then specified for interest on judgments, attorneys' fees and all costs of collection shall be a lien upon the Lot and also the personal obligation of the person who was the Owner at the time the assessment was levied. All assessments shall be due within ten days after notice thereof is given in writing to the Owner.

<u>Section 3 – Collection</u>: The Board may bring an action to collect any unpaid assessments and/or may elect to foreclose the lien upon the Lot.

<u>Section 4 – Attorneys' Fees</u>: If any legal proceeding is commenced for the purpose of interpreting or enforcing any provision of this Declaration, the prevailing party in such proceeding shall be entitled to recover a reasonable attorneys' fee in such proceeding, or any appeal thereof, in addition to the costs and disbursements allowed by law.

# ARTICLE VI

#### **General Provisions**

<u>Section 1 – Enforcement</u>: Any affected Owner shall have full rights to enforce the covenants and restrictions contained herein. In addition to the rights of any affected Owner if any of the restrictions, covenants or conditions are violated, or if it appears that an attempt to violate will be made, the Board also shall have the authority to institute and prosecute such proceedings, PROVIDED HOWEVER, that neither the Board nor the Declarant shall have any obligation to enforce any violations of said covenants, conditions and restrictions. No failure to prosecute any person for any violation or attempted violation shall be deemed a waiver of a right to enforce any such violations by the same person or other persons. The prevailing party shall be entitled to recover costs and a reasonable attorneys' fee, both trial and appellate, in any such proceeding.

Section 2 – Conflict: In the case of conflict between these restrictions and any zoning ordinance of any governmental body, the more restrictive shall prevail.

<u>Section 3 – Severability</u>: Invalidation of any part of the restrictions shall in no way affect the remaining restrictions.

<u>Section 4 – Binding Effect</u>: The provisions herein shall be binding upon and inure to the benefit of the successors, heirs, and assigns of the Owners and all Lot purchasers, users and Owners.

Section 5 - Times: This Declaration shall run for the benefit of each of the Lots and shall control the use of the Lots for a period of 20 years from the date this Declaration is recorded, after which time they shall automatically be extended for successive periods of 10 years unless at least 75 percent of all Lots vote to amend or repeal this Declaration.

<u>Section 6 – Amendment</u>: Except as specifically set forth herein, this Declaration may be amended by an instrument signed by the Owners of not less than 75 percent of the Lots. Upon execution, the instrument shall be recorded in the Official Records of Lane County, Oregon.

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Notary Public for Oregon
My Commission Expires: 3/24/2-6

Exhibit A Bylaws

[see attached]

# BYLAWS OF A20TH ROWHOUSE HOMEOWNERS ASSOCIATION

# ARTICLE I – GENERAL PROVISIONS

- Section 1. Applicability. These bylaws provide for governance of A20th Rowhouse Homeowners Association, an Oregon nonprofit corporation (the "Association") which has been organized for the purpose of providing maintenance, repair, replacement and upkeep for the Common Area and Commonly Maintained Property of the subdivision known as A20th Rowhouse Subdivision, located in Lane County, Oregon ("A20th") and to promote the health, safety and welfare of the residents of such subdivision.
- **Section 2. Office.** The principal office of the Association shall be designated from time to time by the Board.
- **Section 3. Definitions.** Capitalized terms used but not defined herein shall have the meaning ascribed to them in that certain Declaration of Covenants, Conditions and Restrictions for A20th Rowhouse Subdivision recorded with these bylaws in the deed records of Lane County, Oregon (the "Declaration").

### **ARTICLE II - MEMBERS**

- Section 1. Membership and Voting. Each Owner shall be a member of the Association. Each Owner shall be entitled to one vote for each Lot owned with respect to all matters on which Owners are entitled to vote, and the total number of votes shall be equal to the total number of Lots subject to this Declaration. 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. Each Owner may cast such Owner's vote in person, by written ballot, or pursuant to a proxy executed by such Owner.
- Section 2. Meetings. The Owners shall hold an annual meeting within the first 90 days of each fiscal year. At the annual meeting, the members shall elect members of the Board and shall transact such other business as may legally come before the meeting. Special meetings of the members may be called by the president, the Board or any Owner. Meetings of the members shall be held at the principal office of the Association, or such other place as may be designated by the Board. Written or printed notice stating the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these bylaws, any budget changes or any proposal to remove a director or officer, shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by mail.
- **Section 3. Quorum.** A majority of those members entitled to vote, represented in person or by proxy, shall constitute a quorum for the transaction of business at any members' meeting. In the absence of a quorum, a majority of the members represented in person or by proxy may adjourn the meeting from time to time until a quorum shall attend. Any business which might have been transacted at the original meeting may be transacted at the adjourned meeting if a quorum exists.
  - Section 4. Majority Vote. When a quorum is present or represented at a meeting, the

affirmative vote of a majority of the votes present or represented at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater number is required by law, the Articles of Incorporation, the Declaration or these bylaws, in which case the contrary provision shall be controlling.

### ARTICLE III - BOARD OF DIRECTORS

Section 1. Meetings. An annual meeting of the Board shall be held without notice other than this bylaw immediately after the adjournment of the annual meeting of the members. At this annual meeting of the Board, the officers of the Association shall be elected. Special meetings of the Board for any purpose or purposes may be called at any time by the president or by any director. Meetings of the Board shall be at the principal office of the Association or any other place designated by the Board. Meetings of the Board may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to the provisions of the immediately preceding sentence shall constitute presence in person at the meeting. All meetings of the Board shall be open to members. Special meetings of the Board may be called for any reasonable time by or at the direction of the president or any member of the Board by giving at least 72 hours' advance oral or written notice to each director. Attendance by a director at a meeting shall constitute a waiver of notice of that meeting except in the case of attendance by a director at a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

**Section 2. Number.** The business and affairs of the Association shall be managed and controlled by a board of three directors, all of whom must be members of the Association.

Section 3. Election and Term of Office. At the turnover meeting of the Association, which Declarant shall hold in accordance with ORS 94.616, as may be amended, the term of office of two directors will be fixed for two years. The term of office of one director will be fixed at one year. Upon expiration of the initial term of office of each respective director, the director's successor will be elected to serve a term of two years. The directors will hold office until their successors have been elected and hold their first meeting. At the turnover meeting, the Owners may elect directors by using a ballot that permits each Owner to vote for three nominees. In that event, the two nominees receiving the highest number of votes will be the two-year directors and the nominee receiving the next highest number of votes will be the one-year director.

**Section 4. Quorum.** A majority of the number of directors fixed by these bylaws shall constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law, the Articles of Incorporation or these bylaws, in which case the contrary provision shall be controlling.

**Section 5. Vacancies.** Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Association will 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 will be a Director until a successor is elected upon expiration of the term for which the person was elected to serve by the other Directors.

**Section 6. Compensation.** No director shall receive any compensation for any service to the Association as a director. However, by resolution of the Board, directors may be paid their expenses, if any, incurred in the performance of their duties.

# ARTICLE IV - POWERS AND DUTIES OF THE BOARD

The Board shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things and exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the members by law, the Articles of Incorporation, the Declaration or these bylaws. Specifically, but without limitation, the Board shall adopt and distribute an annual budget as required by ORS 94.645; keep written records of all acts; elect members of the Architectural Review Committee; procure and maintain adequate property insurance on the Lots and Common Areas; procure and maintain adequate liability and hazard insurance on the Common Area and Commonly Maintained Property; maintain, repair or replace the Common Area and Commonly Maintained Property as set forth in the Declaration and these bylaws; and file the necessary state and federal tax returns and file the annual report with the Oregon Secretary of State. The Board may adopt Rules and Regulations governing the details for the operation of A20th and use of the Common Area and Commonly Maintained Property. The Board shall engage a professional property manager to manage A20th, and the compensation of such professional property manager shall be a common expense. The Board may delegate the Board's powers and duties to such professional property manager to the extent permitted by applicable law.

# ARTICLE V - DAMAGE AND INSURANCE

Section 1. Damage. The Association shall repair or reconstruct any Common Area or Commonly Maintained Property that has suffered damage. Repair or reconstruction must begin as soon as reasonably practical after damage. If damage is not repaired or reconstructed, the Board shall call a meeting of the Owners, and any decision by the Owners shall take into account the position of each Lot's mortgagee. If insurance proceeds exceed the costs of repair or reconstruction, the excess shall be treated as a common profit. If insurance proceeds fall short of the costs of repair or reconstruction, the Board shall either use a special assessment to make up the short fall or call a meeting of the Owners, and any decision by the Owners shall take into account the position of each Lot's mortgagee.

- Section 2. Insurance Maintained by the Association. For the benefit of the Association and the Owners, the Board must obtain and maintain at all times, and pay for out of the common expense funds, the following insurance to the extent that it is available at reasonable cost and with a commercially reasonable deductible:
- **2.1** 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 all buildings and substantial improvements on the Lots and Common Area to the extent such insurance is available and, if available at a reasonable cost, building-code and actual-replacement-cost endorsements and earthquake insurance.

- 2.2 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 must be not less than \$1 million per occurrence for bodily injuries and property damage liability. The limit and coverage must be reviewed at least annually by the Board, which may increase the liability limits, coverage, or both, in its discretion. The policy or policies must be issued on a commercial general liability form and must provide cross-liability endorsements wherein the rights of the named insured under the policy or policies will not be prejudiced in their action against another named insured.
- 2.3 Workers' compensation insurance to the extent that it is necessary to comply with any applicable laws.
- Section 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 obliges, for the amount determined by the Board. The Board may pay for the bond out of the common expenses of the Association. In addition, the Board must require all officers and employees of the Association handling or responsible for Association funds to obtain adequate fidelity bonds, and the Board may pay for the premiums thereon.
- **Section 4. Insurance Companies Authorized.** All policies obtained under this Article V must be written by a company licensed to do business in Oregon and holding a rating acceptable to all mortgagees and the Board.
- Section 5. Provisions in Insurance Policies. The Board must make every reasonable effort to secure insurance policies that will provide for the following: (i) a waiver of subrogation by the insurer on any claims against the Board, the officers, the manager, the Owners, and their respective servants, agents, guests, and tenants, (ii) 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, (iii) 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, and (iv) 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 Lots, Common Area or Commonly Maintained Property.
- Section 6. Insurance Maintained by Each Owner. The Association will have no responsibility to procure or to assist Owners in procuring property loss insurance or liability insurance other than as expressly stated in this Article V. Owners shall at a minimum insure personal property on their Lot with minimum combined limits of \$100,000 per occurrence. Insurance coverage obtained and maintained by the Board may be brought into contribution with that obtained and maintained by Owners or mortgagees only in the Board' sole and unfettered discretion.
- Section 7. Payment of Deductible. The deductible under any insurance policy maintained by the Association shall be paid out of common expense funds, except to the extent that the insurance deductible is payable due to the fault of an Owner, in which event the Board shall assess the Owner for reimbursement of the deductible.

**Section 8. Review of Insurance Policies.** At least annually, the Board must review all insurance carried by the Association, which review must include a consultation with a representative of the insurance carrier writing the master policy.

### ARTICLE VI – OFFICERS

Section 1. Officers. The officers of the Association shall be a president, a secretary and a treasurer and shall be elected by the Board. The president and the treasurer shall each be directors. The secretary may be but is not required to be a director. One or more other officers or assistant officers may, at any time, be elected by the Board and may be but are not required to be directors. The officers of the Association shall be elected annually by the Board at the annual meeting of the Board. Each officer shall hold office until that officer's successor has been duly elected and qualified or until that officer's death or until that officer resigns or is removed in accordance with the provisions of these bylaws. Any officer or agent elected or appointed by the Board may be removed by the Board, with or without cause, whenever in its judgment the best interests of the Association will thereby be served. Any officer may resign at any time by giving written notice to the Board. Any such resignation shall take effect upon receipt of such notice or at any later time specified in the notice. Unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective. No officer shall receive any compensation for service as an officer. However, at the discretion of the Board, officers may be paid for their expenses, if any, incurred in the performance of their duties. All officers shall have such duties and authority as the Board may designate in addition to those specifically provided in these bylaws.

## Section 2. Designations.

- 2.1 The president shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors, have the responsibility for the conduct and management of the affairs of the Association and the general supervision of its property, interests and agents. The president or the president's designee shall preside at all meetings of the members and directors, unless otherwise ordered by the Board.
- Association or such other place as the Board may order, a book of minutes of all meetings of directors and members showing the time and place of the meeting, whether it was a regular or special meeting, and if a special meeting, how authorized, the notice given, the names of those present at directors' meetings, the number of members present or represented at members' meetings and the proceedings at those meetings. The secretary shall keep or cause to be kept at the registered office or at the office of the Corporation's transfer agent, a current list showing the names of the members and their addresses. The secretary shall give or cause to be given notice of the meetings of the members and of the Board as is required by these bylaws.

2.3 The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board; keep proper books of account; prepare an annual budget and statement of income and expenditures within 90 days after the end of the fiscal year to be presented to the membership at its regular annual meeting, and deliver a copy to each of the members. The treasurer shall perform those additional duties in connection with the administration of the financial affairs of the Association as the Board may designate.

## ARTICLE VII – ASSESSMENTS

As more fully provided in the Declaration, each Owner is obligated to pay to the Association annual and special assessments which are secured as a continuing lien upon the property against which the assessment is made. Any assessment which is not paid when due shall be delinquent. If the assessment is not paid within 30 days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 12 percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Property, and, interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for such assessments by nonuse of the Common Area or abandonment of their Lot.

# ARTICLE VIII - BOOKS AND RECORDS - INSPECTION

The Association shall maintain adequate and correct books, records and accounts of its activities and properties. All books, records and accounts of the Association shall be open to inspection by the members in the manner and to the extent required by law or by the Declaration. 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.

### ARTICLE IX - AMENDMENT

These bylaws may be amended at a regular or special meeting of the members, by a majority vote of the members. However, the Declarant referred to in the Declaration may amend the bylaws in order to comply with the requirements of the Federal Housing Administration, the Veterans' Administration, the Farmer's Home Loan Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or of the state of Oregon or any corporation wholly owned, directly or indirectly, by the United States or the state of Oregon which insures, guarantees or provides financing for a planned community or lots in a planned community.

### ARTICLE X - MISCELLANEOUS

- Section 1. Waiver Of Notice. Whenever a notice is required to be given to any member or director of the Association by law, the Articles of Incorporation or these bylaws, a waiver of that notice in writing signed by the person or persons entitled to notice, whether before or after the time stated in the notice, shall be equivalent to the giving of notice.
- Section 2. Action Without a Meeting. Any action which the law, the Articles of Incorporation, the Declaration, or these bylaws require or permit the members or directors to take at a meeting may be taken without a meeting if a consent in writing describing the action taken is signed by all of the members or directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the members or directors, shall be filed in the records of minutes of the Association. The action taken becomes effective as of the date of the last signature on the consent form, unless an earlier date is specified in that document.
- **Section 3.** Execution of Documents. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness, issued in the name of the Association shall be signed or endorsed by the person or persons designated by the Board. All other documents may be executed by the president or other officer or officers as may be designated by the Board and may be certified or attested by the secretary.
- **Section 4. Fiscal Year.** The fiscal year of the Association shall be the calendar year, except that the first fiscal year shall begin on the date of the incorporation of the Association.

[Remainder of page intentionally left blank.]

A20th Rowhouse LLC, an Oregon limited liability company

By: Eastmark Capital Group LLC,

an Oregon limited liability company,

its Manager

By:

Sean M. Barnes, Member